

THE DEPARTMENT OF STATE



Bulletin

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FREE-WORLD GROWTH AND PROGRESS • Statements
by Under Secretary of State Ball and Secretary of the Treasury
Dillon 579

**UNITED STATES AND SOVIET UNION AGREE ON
STATEMENT OF PRINCIPLES FOR DISARMA-
MENT NEGOTIATIONS • Texts of U.S.-U.S.S.R. Report**
to General Assembly and Supplementary U.S. Documents . 589

THE U.N., A VIEW OF THE ROAD AHEAD • Remarks
by Ambassador Adlai E. Stevenson 597

BASIC UNITED STATES POLICY IN AFRICA • by
Assistant Secretary Williams 600

**FORTY NEWLY INDEPENDENT STATES: SOME
POLITICOGEOGRAPHIC OBSERVATIONS • Article**
by G. Etzel Percy 604

For index see inside back cover

THE
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7

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The Department of State BULLETIN, a weekly publication issued by the Office of Public Services, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, United Nations documents, and legislative material in the field of international relations are listed currently.

Free-World Growth and Progress

The Boards of Governors of the International Bank for Reconstruction and Development, the International Monetary Fund, the International Finance Corporation, and the International Development Association held their annual meetings at Vienna September 18-22. Following are texts of statements made by Under Secretary of State George W. Ball at the Bank's meeting and by Secretary of the Treasury Douglas Dillon at the Fund's meeting.

STATEMENT BY MR. BALL, SEPTEMBER 19

Press release 646 dated September 19; as-delivered text

On behalf of the Government of the United States I should like to add a special word of our shock and sorrow at the death of Dag Hammarskjold and to express the hope that, through the efforts of the governments represented here, the deliberations and actions of the United Nations, and particularly those of the special agencies of the United Nations that are meeting here today, we may advance the cause of peace, for which Dag Hammarskjold devoted his untiring energies and for which he gave his life.

No one can study the annual report of the International Bank for Reconstruction and Development, nor listen to the statement made to us this morning by its distinguished President [Eugene R. Black], nor observe its operations throughout the past few years, without the conviction that it has outgrown its name. The International Bank today is no longer merely a remarkable financial institution but a major instrument of human advancement. Under the perceptive and imaginative leadership of its President and other officers, its Executive Directors and its staff, it has provided not only material help but wise counsel to nations, both new and old, that are caught

up in the great ferment that is sweeping the world.

The nature of this ferment is still difficult to comprehend. Its elements are political, economic, social, cultural, and scientific. It affects more than half of the world's peoples. It involves the release of massive forces through a kind of seismic social convulsion—the crumbling of old systems and the creation, often in violence and blood, of new nations and institutions.

What we are experiencing today is distinct from the waves of political revolution we have known at earlier times. That half of the world's population embroiled in this ferment is asking for more than national independence. Most of the peoples involved in this surging movement have already secured the juridical right to rule themselves. But all too often this is only the beginning of the task of building the essential institutions of statehood.

The people in what we have come to call the less developed areas of the world are giving insistent voice to many and varied demands—demands which we should not, indeed which we cannot, ignore.

They are demanding access to the basic material requirements of life—food, clothing, and shelter—which previous generations have known so meagerly. They are demanding other material comforts and conveniences that are available to the peoples of the more developed societies. They are demanding personal freedom and dignity, better education for themselves and their children, and the opportunity for cultural and spiritual growth. Finally, they are demanding the right to live out their lives in peace and security.

Quite obviously, all these demands cannot be satisfied quickly even by the most far-reaching and successful programs of economic development. Yet economic development remains an indispensable element in their fulfillment. If the revolution which we are witnessing today is to

succeed—and its frustration could mean only catastrophe—then the more developed nations must provide, through public assistance and private investment (and I do not for a moment underestimate the importance of private investment), that measure of resources needed to transform and modernize at least half the globe.

All of this has been said before and much better. But today I want to emphasize two considerations that are not always adequately stressed.

First is the element of time and urgency. Most of the older industrial societies achieved their present levels of economic and technical development over a period of centuries, but the less developed nations of today will not wait. Two billion people are no longer prepared to accept the miserable conditions of life which their ancestors patiently endured. They are persuaded that the vaulting technology of the modern world offers the physical means by which centuries of stagnation can be overcome.

The second element that complicates our task is our lack of reliable insight into what we are doing and where we are going. We know very little about the anatomy of economic and social growth. An abundance of preconception masquerades as principle; an abundance of theory substitutes for experience. Yet the lessons implicit in the history of industrialized societies are largely irrelevant, for we are dealing with disparate cultures, with violent emotional impulses, and with explosive political pressures. We find ourselves constantly moving into new terrain. We must experiment, appraise, and try to learn by doing, without losing our forward momentum.

Special Contribution of IBRD

It is here that the IBRD and its affiliated institutions are making a special contribution—the contribution of experience patiently acquired, thoughtfully appraised, and incisively applied. In a real sense the Bank has been a pioneer, moving with firm purpose through the tangled forest of economic development.

It is because of its willingness to depart from precedent that the Bank has evolved from being merely a lender of money to an institution that is playing a part in shaping the world revolution of development. In this process the Bank, through its varied initiatives, has contributed to

our understanding of the process of development, and the means of encouraging that process, far more than most of us realize.

The Bank, for example, has not been bound by any doctrinaire commitment to the principle that the marketplace must be the sole arbiter of investment. Many less developed countries possess neither the institutional structure nor a sufficient entrepreneurial tradition to make this feasible. If resources are to be injected into the investment stream in such a manner as to contribute most efficiently to economic growth, then they must be employed systematically to build those basic elements of production—transportation, roads, power plants, and factories—that are indispensable to the growth process. And this obviously implies a considerable measure of planning at the national level in which the state must necessarily take the lead.

The recognition of this paradox—that intelligent planning for a less developed economy may be essential to the progressive achievement of economic freedom as the society moves toward a higher level—has been implicit in much that the Bank has done.

At the same time the Bank has come to understand that national planning is itself an esoteric art which most less developed societies cannot practice effectively without help and guidance. As an international organization bringing together the skills of many nations, the Bank has equipped itself to provide that guidance in ways that take into account the sensitivities of the developing countries.

Perhaps the most refined form of the Bank's activities in this connection has been the organization of consortia. In providing the leadership for consortia the Bank has had an extraordinary opportunity to encourage, review, and criticize national economic plans. I am sure that few of us are fully aware of the amount of painstaking effort that has been expended in the leadership of consortia or of the quantity or quality of useful advice which the Bank's technicians have provided to the developing countries.

But the perfection of the consortium is not the only contribution which the Bank has made to the art and practice of national planning. It has created an Economic Development Institute to train senior government officials, and the management of the Bank has recently proposed a

Development Advisory Service which the Executive Directors have approved. Through this Development Advisory Service the Bank may provide expert help in development planning on a continuous basis, through career-type personnel. It may establish resident missions, where requested, to assist in the preparation and execution of broad development programs. It may furnish technical advice and assistance in the actual administration of particular programs of lesser scope. This, it seems to me, is a useful extension of the Bank's activities and one which deserves our full support.

One reason why the Bank has succeeded in its diverse tasks is that it has perceived the need to adapt its tools to the requirements of the responsibilities it has undertaken.

The establishment of the International Development Association is, I think, a manifestation of this perception. The IDA is now an effective member of the community of international lending institutions. But, as we can see from its first annual report, the demands on the International Development Association are increasing. We may well need to face an enlargement of IDA funds in the near future.

U.S. Aid Program

With the facilities of IDA serving as a complement to its own, the IBRD should be able to increase its effectiveness. Yet action through international mechanisms such as the Bank and its affiliated institutions is, of course, only one phase of the massive effort that is needed to meet the demands confronting us.

The United States has long recognized that the economically advanced countries cannot fulfill their responsibility solely through their participation in the work of the Bank. During the last few months my Government has been engaged in a major renovation and strengthening of its own arrangements for bilateral assistance. President Kennedy's new program, which the Congress has just approved, rests on two major premises.

The first is the same premise which has animated much of the work of the Bank—that sustained economic and social progress under conditions of freedom can be achieved only by regarding the development process from the point of view of the recipient nation as a whole. Development programs can best succeed where there is a deter-

mination on the part of the peoples to mobilize their own resources for the purposes of working out overall country programs in which each project is related to all other projects. Human needs are too acute and capital resources too limited for money to be devoted to isolated projects which contribute little to the total national economy of an underdeveloped country.

The other major premise which played a part in the development of President Kennedy's new program has been the conviction that the task of raising the level of life in the less developed countries is one which the economically advanced nations must share. It is an undertaking far beyond the resources of any one nation.

It was with this in mind that my Government has welcomed the initiative taken by the IBRD in the sponsorship of consortia. It is with this in mind also that we have become an active participant in the Development Assistance Group, soon to become the Development Assistance Committee of the Organization for Economic Cooperation and Development. This group will provide a means for systematic consultation to increase the total volume of resources for development and to improve their utilization.

We have great hopes for the new Development Assistance Committee. We are convinced that, as it gains experience, it can play an even more useful role. Yet, here also, we are moving in an area of empiricism and only time and experience will show exactly how the work of the Committee will develop.

But I do want to make one point quite clear. The Development Assistance Committee is merely another tool for all of us to use in responding to the formidable demands imposed by the revolution of development. In helping to mobilize the resources of the industrialized countries through all appropriate mechanisms—including consortia under certain circumstances—it will be in no sense a competitor of the Bank. Its activities will be harmonized so as to supplement and complement the Bank's own most useful efforts.

The efforts of which I have spoken so far—bilateral, international, and national—offer hope and encouragement for the future. Primarily they are concerned, however, with only a single aspect of the development process, the provision of technical services and the investment of external capital resources to insure economic growth.

Yet we all know that economic development cannot be an end in itself. It is merely one means—albeit an indispensable one—of satisfying human aspirations. Economic development is aimed ultimately at the achievement of broad humanitarian goals. But if the goals are actually to be realized we must face up to the uncomfortable fact that economic development will have to be accompanied by other political, social, cultural, and economic processes—and this presents a major problem.

Issue of Uncontrolled Government

Economic development cannot serve its real purpose if its benefits are enjoyed exclusively by a wealthy elite, while the great masses remain in poverty. Nor can there be any assurance of lasting benefits from economic development in any nation where the government is the master of society and not its servant.

It is with respect to this point, I think, that the debate among the more advanced countries as to the most desirable system of economic and social organization is most often misunderstood, particularly in the less developed nations. All too frequently the controversy is regarded as merely a dispute concerning the merits of governmental intervention in the economic processes of society.

Nothing could be further from the truth; the argument is far more fundamental than that. Every modern society—however advanced or primitive—takes for granted a measure of governmental control over the economy. The critical issue of our times is not “government control” but uncontrolled government. Where the people of any nation lack the power to choose their rulers, can criticize them only at personal peril, and have no effective means of influencing their behavior, these people can easily be reduced to slavery and there is no guarantee that any degree of economic development will actually benefit anyone except the rulers themselves.

The Population Explosion

A second major problem stems from the fact that the successful achievement of our humanitarian objectives depends to a considerable extent upon the ability of economic growth to keep pace with demographic developments. The “popula-

tion explosion” has become a familiar term in recent years. Even so, its true dimensions are difficult to grasp. Some time this year, the three-billionth human being will be born. On the basis of a statistical average, 200 births occur every minute. It is also a stark fact of demography that the major portion of these births are taking place in the less developed regions of the world.

The prevailing rate of population growth affects not only the net rate of economic advancement but also the volume of resources and the nature of the national programs required to achieve rapid development. Even under the best of circumstances, the less developed nations will fight a losing battle unless they can obtain, and use with maximum efficiency, a huge volume of capital and technical skills. In this context, the population explosion, if continued, will place an ever-increasing burden on the more advanced countries and international lending institutions. It will place a burden as well on the developing countries, to achieve greater effectiveness in mobilizing internal resources for development.

The population problem must, of course, be taken into account in drafting national development programs. Areas with plentiful manpower may find it useful to stress development activities of a labor-intensive nature. Nations with small populations relative to resources may more appropriately consider labor-saving activities. And the rate of population growth will, of course, require close attention to the proper balance between increasing the production of basic foodstuffs and quickening the pace toward industrialization.

Rapid population growth, therefore, conditions the prospects for achieving the true objectives of economic development. It is a problem intimately bound up with the social and cultural traditions—and inhibitions—of each particular country. It is a problem which, in all its aspects, calls increasingly for the exercise of the most mature wisdom. But while we cannot solve this problem here today we can at least define our goal. We want a world in which every birth is accompanied by a birthright.

There is a third major problem which is too often neglected. In our preoccupation with the process of development at the national level we have given all too little thought, I fear, to the total economic impact of the development revolution on the world as a whole.

We can hardly expect the less developed nations to attain a level of self-sustaining growth if they are unable to earn a growing volume of convertible foreign exchange in world markets. Any program for economic development may become an absurdity unless it realistically takes account of world trading patterns and prospects.

World Trading Patterns

There are several facets to this complex problem. First, the less developed nations must be able to find reasonably stable markets for the raw materials they produce. The foreign aid provided under even the most ambitious assistance program for a developing nation can be totally negated if that nation suffers an abrupt cyclical decline in the world market price for a major raw material it exports. This is particularly true of those countries which are dependent upon one or two basic commodities for the bulk of their foreign exchange earnings.

Quite apart from these cyclical fluctuations, we know also that certain primary commodities show a continuous tendency toward increasing output. As a result, the aggregate supply of these products may come to exceed any conceivable future demand at reasonable prices. Obviously, any development program aimed at increasing a country's capacity for producing commodities in world surplus will be self-defeating. In persistent surplus situations we must face the hard necessity of devising mechanisms, within a worldwide framework, to stabilize prices and production.

This is a problem which is preoccupying the United States Government today. We are giving a great deal of thought and effort to its solution. But I must emphasize that it cannot be solved by the creation of special preferential systems between groups of primary producing countries and one or more industrialized countries. Such discriminatory solutions, in the long run, will only delay and complicate the working out of these problems on a worldwide basis.

Another aspect of this question which enters into the total equation of development planning is the impact of worldwide industrialization on world markets. As the less developed countries progress toward economic advancement they will begin to move progressively into the edges of industrialization. Initially they may concentrate

on the production of articles needed to meet the expanding demands of their own peoples. But if they are ever to be capable of continuing the development process through their own efforts, if they are to reach the beckoning goal of self-sustaining growth, then they must be able to sell their production on the world markets.

It goes without saying that in many of the developing nations the most valuable productive resource is low-cost labor. With a large reservoir of unskilled labor and a shortage of capital it is only natural that such countries should tend to concentrate their production in labor-intensive industries. In an ideal world one might expect the industrial nations to move consciously toward more sophisticated production, leaving to the developing nations an expanding field for simpler manufactures. But this is not an ideal world, and we all know well enough that the structural adjustments which this implies, even though marginal so far as most economies are concerned, cannot be easily or quickly accomplished.

I would expect, therefore, that we are only at the beginning of a process in which the governments of the industrialized nations must take the lead in providing an orderly opportunity for the expansion of markets for the production of the underdeveloped nations. In the absence of a great deal of will and effort and consultation among nations there is grave danger that the normal and necessary changes in trading patterns will be artificially distorted by restrictive reflexes on the part of major consuming nations. In that event the hope for a prosperous world in which resources are most effectively used would be cruelly delayed or frustrated.

Broad Approach to Development Planning

In my remarks this morning I have recited a catalog of problems. Economic development itself, the improvement of political and social organization, the population explosion, and the relationship of economic development to the world trading system—all of these are complex and difficult—formidable troubles for an already troubled world.

I would not suggest that the IBRD—nor any other national or international agency engaged in economic development—has the power to solve these problems. We cannot possibly assure a per-

fect adjustment between economic planning on the one hand and the relevant political, social, demographic, and commercial factors on the other. However, we must do our best to make certain that our plans and efforts in the field of economic development do not wholly ignore these vital problems—that we take account of them to the extent permitted by the dimensions of our knowledge and by the built-in limitations of the environment in which we work.

Development planning is complex, and those responsible for such planning may be forgiven a certain reluctance to accept the introduction of new complexities. But we shall do ourselves no service unless we make sure that those objectives are not frustrated by our indifference to forces and elements that are not included in the narrow definition of development planning. A great American philosopher once defined a fanatic as “a man who redoubles his efforts when he has forgotten his aim.” The field of economic development demands men of talent and dedication but men for whom the overall humanitarian aim is always clearly visible.

It is with confidence this morning that we can commend the work of the Bank and its related institutions. Its past achievements are solid and enduring. Its future prospects are encouraging indeed, and I want to welcome all the new and prospective members of the Bank and IDA represented here today.

I think we can say without qualification that the Bank has become a vital instrument for preserving a peaceful and orderly world and for promoting the advancement of mankind toward higher plateaus of material and spiritual well-being.

STATEMENT BY MR. DILLON, SEPTEMBER 20

First, let me say how delighted I am to be once again in the gracious and storied city of Vienna. Since my last visit a little more than a year ago, I have seen fresh evidence of growth and change—change that reflects the industry, the imagination, and the initiative of the Austrian people. The stability of the Austrian Government in postwar years, the extent of Austria's remarkable economic resurgence, the unswerving devotion of the Austrian people to democratic

principles—all are features of modern Austria that command our respect. This small nation, this revered cradle of thought and culture, this courageous outpost on the frontiers of freedom, has aroused the admiration of free men everywhere. On behalf of my Government—on behalf of the President of the United States, who recalls with pleasure the warm hospitality he received here last June¹—I wish to say that we consider Vienna to be a most auspicious setting for the important work upon which we are embarked.

During the past year the International Monetary Fund, under the distinguished leadership of Per Jacobsson, has again demonstrated its vital importance to world monetary stability and economic growth.

The role of the Fund is being further enhanced at this meeting, where we have the privilege of welcoming to our deliberations 10 new countries, the largest increase in a single year's operations since the Fund's inception. It is a particular pleasure for me to welcome to our midst our good friends from Cyprus, Laos, Liberia, Nepal, New Zealand, Nigeria, Portugal, Senegal, Sierra Leone, and Togo.

Since we met a year ago in Washington,² \$2.4 billion has been drawn from the Fund. A major part of that was the recent drawing by the United Kingdom, but 21 other member countries made drawings totaling more than \$900 million. There are also 20 standby arrangements in effect, with unused drawing rights totaling \$1.2 billion.

Fund assistance in the past year has both strengthened the structure of currency convertibility in the industrialized countries and helped many of the developing countries to adopt or maintain programs of financial and monetary stabilization. The Fund has come to occupy a central position in international monetary affairs—a role I am confident will be of ever-increasing importance to all our member countries in the years ahead.

A few years ago almost all drawings from the Fund were in dollars. Since the advent of currency convertibility in Western Europe, however, the Fund has made great progress in using a larger number of the currencies it holds, thus increasing the percentage of drawings in currencies other

¹ For background, see BULLETIN of June 26, 1961, p. 901.

² *Ibid.*, Oct. 17, 1960, p. 607.

than United States dollars. During the past year 11 different currencies were drawn from the Fund, and two-thirds of the total drawings were in currencies other than the dollar. This is an encouraging development. It has made a reality of the original concept of the Fund as a reserve pool of many currencies for the use of members.

Last year the Fund's advisory activities continued on a broad scale. Wherever member countries have sought to deal effectively with financial instability—by strengthening their fiscal resources, by controlling money and credit, or by otherwise improving their financial institutions—they have been able to rely on the staff of the Fund for expert and objective advice.

The stabilization programs many members of the Fund have worked out and put into operation, usually with Fund advice, have at times been criticized on the ground that they have supposedly imposed a choice between stagnation and economic growth. I do not believe that this is a correct appraisal of the role played by financial stabilization in economic development. I agree with the opinion expressed by Mr. Jacobsson in his brilliant opening statement: that the aim of a well-designed stabilization program is to eliminate inflation not only as a source of balance-of-payments disequilibrium but also as an obstacle to economic growth. Financial stability can thus assist economic growth which, together with social progress, must be the major objective of development policy.

Of course, financial stability cannot of itself cure all the problems of economic growth that beset the developing countries. Effective development planning, basic internal reforms, and adequate capital from both external and internal sources, all are necessary. This is well recognized by the Fund, which is, as it should be, the partner of economic development institutions, national and international, in coordinated efforts to increase the flow of external assistance and to help the developing countries make the best use of their own domestic resources.

The U.S. Economy

I turn now to the economy of the United States and the status of our international balance of payments.

The recovery of the United States economy, following the mildest of our postwar recessions, is

well under way and moving strongly. The low point in economic activity was reached in the first quarter of this year. In the second quarter, major economic indicators recorded new highs. Gross national product, personal income, and personal consumption expenditures all reached fresh peaks in the April-June period. Total industrial production recorded a new high in July and again in August. We estimate that gross national product, which jumped from an annual rate of just over \$500 billion at the beginning of the year to \$516 billion in the second quarter, will reach approximately \$540 billion during the fourth quarter. The course of our economic recovery has been particularly encouraging since prices have remained stable. Hence, almost the entire rise in our gross national product has been real. Moreover, our increased economic activity has not been accompanied by speculative buying or abnormal buildup of inventories.

During the past year the monetary and fiscal policies of the United States have been directed at limiting the extent of the decline in economic activity and at strengthening the forces of recovery. Prompt recognition by our monetary authorities of the impending downturn brought a quick shift of policy from monetary restraint to ease. As early as June of last year, the Federal Reserve relaxed credit restrictions by reducing discount rates and lowering the reserve requirements of commercial banks. Federal Reserve purchases of Government securities provided additional bank reserves to combat recession and finance expansion. Reflecting this Federal Reserve policy, total loans and investments of commercial banks have expanded by 7 percent, or \$14 billion, during the past 12 months. This large increase provided a major force which softened the strains of recession and stimulated recovery.

On the fiscal side, increased unemployment benefits and other Government outlays associated with the recession—in conjunction with reduced income-tax collections—have operated as in previous recessions to provide an automatic supporting influence. Largely as a result of these "built-in stabilizers," the total value of all goods and services produced during the economic downturn never fell appreciably below the corresponding quarter of the previous year.

As I noted earlier, we are especially encouraged that our recovery and our attainment of record

new levels of production have been accompanied by price stability. Our index of wholesale prices has remained for 3 years at virtually the same level. Retail commodity prices have been stable, while the overall index of consumer prices has increased by less than 1 percent since last October.

Business Outlook Promising

The business outlook for the United States during the coming year is very promising. Excessive stocks have been liquidated. As a result of rising production and sales, inventories have once more begun to increase moderately, but they are not high in relation to either present or prospective needs. Consumers have reduced their debt and built up their savings, thus strengthening the outlook for retail trade. Net financial savings of individuals rose by \$7.7 billion in the first half of 1961 on top of a \$10 billion rise in 1960. In contrast to 1958-59, interest rates have remained remarkably constant during the initial recovery period.

We anticipate further vigorous growth. The substantial room in our economy for further expansion should avert any inflationary pressures that might otherwise develop. For we have no shortage of productive resources, nearly all of our industries are operating well below capacity, and the labor supply is ample. Continued rises in output should materially assist us in solving the persisting problem of relatively high unemployment. Nevertheless, we are developing worker retraining programs designed to attack this problem directly.

Federal budget expenditures remain well within our capacity. In fact the deficit for fiscal year 1961 and the projected deficit for 1962 are together much smaller than the deficits during the last comparable recession and recovery in 1958-59. After taking into account all presently scheduled expenditures, including the substantially increased outlays for defense requested by President Kennedy in July,³ our estimates point to a deficit this year (fiscal 1962) that will amount to about half the deficit for fiscal 1959. In addition, our gross national product will run some 17 percent higher than in fiscal year 1959, and our tax revenues will be about 21 percent greater.

³ For a White House announcement, see *ibid.*, Aug. 14, 1961, p. 271.

Hence, the economic impact of the current deficit will be considerably less than half that of the 1959 deficit.

The deficits in fiscal 1961 and 1962 are essentially a reflection of the shortfall of revenues resulting from the recent recession. This is a characteristic of our tax system because it is heavily dependent upon direct taxation of personal and business income. For the same reason we may expect sharp increases in revenues as business improves and the economy grows. The calendar year 1962 gives every promise of being a very good year for business, and since our revenues are based upon earnings of the previous year, we can confidently look forward to a substantial increase in our income during the fiscal year 1963, which begins next July. Fiscal 1963 will be closely comparable in the business cycle to fiscal 1960, when Federal revenues jumped \$10 billion over the preceding year. Hence unless a need arises for further increases in defense outlays, the balanced budget which President Kennedy is determined to submit next January can be achieved without any increase in taxes. However, should additional defense expenditures become necessary, the President has stated clearly and unequivocally that he is prepared to request additional taxes should they be required to balance the budget.

I would like to emphasize the firmness of our decision to balance our budget in fiscal 1963. Indeed, had it not been for the increase in international tensions over Berlin, which forced us to increase our defense expenditures substantially above the levels previously planned, we could have looked forward confidently to a substantial budgetary surplus in fiscal 1963. We are resolute in our determination to maintain both a sound and an expanding economy so that the United States may play its full part in the defense and the development of the free world and, at the same time, meet the requirements of an increasing population at home.

U.S. Balance of Payments

I am glad to be able to report that the United States balance of payments has developed in a much more satisfactory manner this year than in 1960. The marked improvement in our merchandise account during 1960 continued into 1961, and the large speculative outflows of short-term capital, which swelled the volume of our out-

payments in the second half of 1960, have ceased. Our merchandise trade surplus in 1960 amounted to \$4.7 billion, whereas in 1959 it had been less than \$1 billion. In the first half of 1961 our trade surplus was running at a seasonally adjusted annual rate of \$6 billion.

These developments are reflected both in our "basic" position comprising all of our recorded transactions exclusive of United States private short-term capital outflow and in our overall payments position. In 1960 the basic deficit amounted to \$1.9 billion, compared with \$4.3 billion in 1959 and \$3.6 billion in 1958. In the first half of 1961 the basic position continued the substantial improvement shown in 1960 and, without counting special prepayments of \$650 million on United States Government loans, was almost exactly in balance. Our overall deficit, which is measured by decreases in United States holdings of gold and convertible currencies plus increases in foreign liquid holdings of United States dollars—which together amounted to about \$4 billion in both 1959 and 1960—was running at a seasonally adjusted annual rate somewhat under \$1.7 billion in the first half of 1961. The figure of \$1.7 billion also does not count as a receipt the special debt prepayments of \$650 million. While this indicates continuation of substantial short-term capital outflows, these movements have represented, for the most part, a substantial enlargement of the financing of world trade by United States banking institutions and have not been speculative in character.

These are encouraging developments, but they do not mean that the United States can relax its efforts to achieve a satisfactory and durable equilibrium in its balance of payments. We must have a large and growing export surplus of goods and services to pay for military expenditures abroad, which we incur for the defense of the free world. We must have it as well for both that portion of our foreign aid program that is not covered by procurement in the United States and for our continuing large outflow of long-term private development capital.

The improvement in our trade surplus so far this year cannot be expected to continue in the months ahead, since it was accomplished more through a decrease in imports than through an increase in exports, and now as the United States economy moves toward reasonably full employ-

ment of resources, we must look to a corresponding expansion of our imports. Indeed they have already started to grow. While this tends to sharpen our payments problem, it also leads to larger world trade and greater prosperity for our trading partners.

Accordingly we must continue to make intensive efforts to expand our exports. This means for us, as it does for any nation, that we must constantly improve the productivity on which the ability of our producers to compete in world markets is based. It also requires that we prevent increases in money costs from canceling out improvements in productivity. At the same time, our producers must search out export opportunities with energy and imagination. The domestic market of the United States is a very large one, and many of our producers have traditionally thought almost exclusively in terms of that market rather than of opportunities overseas.

We believe this orientation can and must be shifted, for there are surely thousands of our producers who can be more successful in the export field than they have been in the past. It is for this reason that our Government is devoting considerable effort to bringing market opportunities abroad to the attention of our business community.

We are well aware that the position of the dollar as a strong reserve currency depends upon our success in maintaining a reasonable equilibrium over the years in our balance of payments. This we are determined to do. As we succeed, the upward trend in the accumulation of gold and dollars by other countries taken together will necessarily be slowed. The elimination of current payments imbalances can, of course, be greatly facilitated by the cooperation of surplus countries in pursuing liberal trade policies, in increasing long-term development assistance, and in sharing expenditures for the common defense in accordance with their capabilities.

Multilateral Borrowing Arrangements

During the past year, as Mr. Jacobsson has reminded us, there has been active discussion and examination in governmental circles, among economists, and in the financial press, of the adequacy of existing international monetary arrangements. These discussions have been very helpful. Mr. Jacobsson has now proposed that each of the principal industrial countries commit itself to lend its

currency to the Fund up to a stated amount. I strongly agree that an arrangement of this sort should be worked out to insure the Fund access to the additional amounts that would be needed should balance-of-payments pressures involving these countries ever impair or threaten to impair the smooth functioning of the world payments system.

At the same time, for its regular requirements the Fund can and should be expected to borrow from one or another of the participating countries under article VII whenever its supply of any of these particular currencies becomes low. It would also appear reasonable to consider the possibility that such loans be credited against any commitment which the lending country may have undertaken as its part of the multilateral arrangement. These special bilateral borrowings would thus replenish the Fund's supply of particular currencies in strong demand and, in this way, would help to avoid undue drains on its gold reserve.

I have no fixed opinions on the details of the multilateral borrowing arrangement. I am confident, on the basis of the encouraging views I have heard expressed in the past few days, that practical means can be found to give effect to the agreement in principle which so evidently exists. There are four important aspects which I do wish to emphasize:

First, the aggregate amount the participating countries should look forward to committing to the project should be large enough to add decisively to the Fund's capacity to play its essential role.

Second, to be effective, the additional resources must be promptly available in case of need.

Third, safeguards will be required to insure that there will be effective consultation between the Fund and the lenders and that the Fund will only actually borrow under the commitment arrangements after taking full account of the current reserve position of the lending country. In addition each country which actually lends to the Fund should, in case the need develops, be able automatically to obtain repayment from the Fund.

Fourth, I concur in Mr. Jacobsson's judgment that there must be no weakening of the policies that have guided the Fund in the use of its resources; nor should the new arrangement change in any way the existing rights and duties of members of the Fund, both as drawers of currencies and as providers of currencies.

This is an urgent project. The Fund should push ahead promptly in its current consultations with the prospective lending countries in order that the executive board may carry the project to completion so that the participating countries may obtain the necessary legislative authority from their parliaments early next year. With this done, the monetary system of the free world will be substantially strengthened. For the Fund will then clearly be in a position to meet the changing needs of the new world of convertible currencies.

Speaking for my country I want to say that the United States regards the work in which we are engaged here in Vienna as having a direct and important bearing upon the future course of free-world growth and progress. I have confidence in the ultimate outcome of our deliberations because I have confidence in the vitality of the free economies upon which the work of the Fund is founded. Our mutual goal is a world of expanding opportunities for every human being to pursue his legitimate aspirations in peace and freedom. The International Monetary Fund is playing an important role in helping us to achieve it.

United States and Kuwait Establish Diplomatic Relations

Press release 654 dated September 22

Effective immediately the United States Government has agreed to the establishment of diplomatic relations with the Government of Kuwait and, pending the assignment of an ambassador, has designated the present American consul in Kuwait, Dayton Mak, as Chargé d'Affaires.

United States and Soviet Union Agree on Statement of Principles for Disarmament Negotiations

Following are texts of two documents circulated to all members of the United Nations on September 20 following exchanges of views between the United States and the Soviet Union on questions relating to disarmament and to the resumption of negotiations in an appropriate body.

U.S.-U.S.S.R. REPORT TO GENERAL ASSEMBLY

U.N. doc. A/4879

REPORT OF THE GOVERNMENTS OF THE UNITED STATES OF AMERICA AND THE UNION OF SOVIET SOCIALIST REPUBLICS TO THE SIXTEENTH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY ON THE RESULTS OF THEIR EXCHANGE OF VIEWS ON QUESTIONS RELATING TO DISARMAMENT AND TO THE RESUMPTION OF NEGOTIATIONS IN AN APPROPRIATE BODY, WHOSE COMPOSITION IS TO BE AGREED UPON

In accordance with their statements of 30 March 1961 at the fifteenth session of the United Nations General Assembly,¹ the Governments of the United States and the U.S.S.R. wish to inform the Members of the General Assembly of their exchange of views on questions relating to disarmament and to the resumption of negotiations in an appropriate body, whose composition is to be agreed upon.

1. The exchange of views took place in Washington, D.C. from 19 June to 30 June; in Moscow from 17 July to 29 July; and in New York from 6 September to 19 September 1961.

2. As a result of the exchange of views, the two Governments submit a joint statement of agreed principles which they recommend as guidance for

disarmament negotiations when such negotiations are resumed. The text of these agreed principles is attached hereto in the form of a joint statement of the two Governments.

3. The two Governments were not able to reach agreement on the composition of a negotiating body prior to the sixteenth General Assembly.

Joint Statement of Agreed Principles for Disarmament Negotiations

Having conducted an extensive exchange of views on disarmament pursuant to their agreement announced in the General Assembly on 30 March 1961,

Noting with concern that the continuing arms race is a heavy burden for humanity and is fraught with dangers for the cause of world peace,

Reaffirming their adherence to all the provisions of the General Assembly resolution 1378 (XIV) of 20 November 1959,²

Affirming that to facilitate the attainment of general and complete disarmament in a peaceful world it is important that all States abide by existing international agreements, refrain from any actions which might aggravate international tensions, and that they seek settlement of all disputes by peaceful means,

The United States and the U.S.S.R. have agreed to recommend the following principles as the basis for future multilateral negotiations on disarmament and to call upon other States to co-operate in reaching early agreement on general and complete disarmament in a peaceful world in accordance with these principles.

1. The goal of negotiations is to achieve agreement on a programme which will ensure that (a) disarmament is general and complete and war is

¹ For background, see BULLETIN of Apr. 17, 1961, p. 568.

² For text, see *ibid.*, Nov. 23, 1959, p. 766.

no longer an instrument for settling international problems, and (b) such disarmament is accompanied by the establishment of reliable procedures for the peaceful settlement of disputes and effective arrangements for the maintenance of peace in accordance with the principles of the United Nations Charter.

2. The programme for general and complete disarmament shall ensure that States will have at their disposal only those non-nuclear armaments, forces, facilities, and establishments as are agreed to be necessary to maintain internal order and protect the personal security of citizens; and that States shall support and provide agreed manpower for a United Nations peace force.

3. To this end, the programme for general and complete disarmament shall contain the necessary provisions, with respect to the military establishment of every nation, for:

(a) Disbanding of armed forces, dismantling of military establishments, including bases, cessation of the production of armaments as well as their liquidation or conversion to peaceful uses;

(b) Elimination of all stockpiles of nuclear, chemical, bacteriological, and other weapons of mass destruction and cessation of the production of such weapons;

(c) Elimination of all means of delivery of weapons of mass destruction;

(d) Abolishment of the organizations and institutions designed to organize the military effort of States, cessation of military training, and closing of all military training institutions;

(e) Discontinuance of military expenditures.

4. The disarmament programme should be implemented in an agreed sequence, by stages until it is completed, with each measure and stage carried out within specified time-limits. Transition to a subsequent stage in the process of disarmament should take place upon a review of the implementation of measures included in the preceding stage and upon a decision that all such measures have been implemented and verified and that any additional verification arrangements required for measures in the next stage are, when appropriate, ready to operate.

5. All measures of general and complete disarmament should be balanced so that at no stage of the implementation of the treaty could any

State or group of States gain military advantage and that security is ensured equally for all.

6. All disarmament measures should be implemented from beginning to end under such strict and effective international control as would provide firm assurance that all parties are honouring their obligations. During and after the implementation of general and complete disarmament, the most thorough control should be exercised, the nature and extent of such control depending on the requirements for verification of the disarmament measures being carried out in each stage. To implement control over and inspection of disarmament, an International Disarmament Organization including all parties to the agreement should be created within the framework of the United Nations. This International Disarmament Organization and its inspectors should be assured unrestricted access without veto to all places as necessary for the purpose of effective verification.

7. Progress in disarmament should be accompanied by measures to strengthen institutions for maintaining peace and the settlement of international disputes by peaceful means. During and after the implementation of the programme of general and complete disarmament, there should be taken, in accordance with the principles of the United Nations Charter, the necessary measures to maintain international peace and security, including the obligation of States to place at the disposal of the United Nations agreed manpower necessary for an international peace force to be equipped with agreed types of armaments. Arrangements for the use of this force should ensure that the United Nations can effectively deter or suppress any threat or use of arms in violation of the purposes and principles of the United Nations.

8. States participating in the negotiations should seek to achieve and implement the widest possible agreement at the earliest possible date. Efforts should continue without interruption until agreement upon the total programme has been achieved, and efforts to ensure early agreement on and implementation of measures of disarmament should be undertaken without prejudicing progress on agreement on the total programme and in such a way that these measures would facilitate and form part of that programme.

SUPPLEMENTARY U.S. DOCUMENTS

U.N. doc. A/4880

Memorandum on Composition of Forum

UNITED STATES

MEMORANDUM ON COMPOSITION OF THE DISARMAMENT FORUM

The objective of the United States is the resumption of multilateral disarmament negotiations. It has made, and now reaffirms, four alternative proposals for the composition of a disarmament forum:

(1) *Ten-Nation Committee*: The United States remains prepared to resume negotiations in the Ten-Nation Committee, which was established by agreement among the United States, the Soviet Union, France and the United Kingdom in September 1959.³ The work of this Committee, which is composed of five NATO Powers (the United States, United Kingdom, France, Canada and Italy) and five Warsaw Pact Powers (the U.S.S.R., Poland, Czechoslovakia, Bulgaria and Rumania), was left unfinished by virtue of the Soviet Union's break-off of negotiations in Geneva on 27 June 1960.⁴ It was conceived that the deliberations of this Committee would provide a useful basis for the consideration of disarmament in the United Nations. In this way, a stage would be achieved, after a basis for agreement was reached by the members of this Committee, in which all Members of the United Nations would participate in an effective way in the disarmament negotiations, which are of concern to all the nations of the world. The United States continues to believe that this represents a sound and orderly approach, which has been approved by the United Nations and which should not be abandoned.

(2) *Ten-Nation Committee with Invited Presiding Officials*: The United States is fully prepared to join with the other three Powers which established the Ten-Nation Committee in extending an invitation to three other nations, not members of the NATO or Warsaw Treaty organizations, to designate a chairman and two vice-chairmen of the Ten-Nation Committee. These officers would preside over meetings of the Committee,

using their good offices as appropriate to facilitate the achievement of agreement, without bearing the additional responsibility of serving as official spokesmen of their Governments in the negotiations or attempting to act as formal "representatives" of a non-existent "neutral" bloc.

(3) *Twenty-Nation Committee*: The United States is fully prepared, considering its objective of reaching agreement on disarmament, to propose changing the original concept of the Ten-Nation Committee by an expansion of its membership so that countries not members of NATO or the Warsaw Pact can participate at the initial negotiating level, as well as through the United Nations. Such an expansion should be consistent with normal principles of equitable representation of the different regions of the world and with the desirability of selecting countries on the basis of such relevant factors as population and military capabilities. Accordingly, the United States proposes that three countries be added to the Ten-Nation Committee from Asia, three from Latin America, three from the Middle East and Africa, and one from non-NATO, non-Soviet Bloc Europe. The United States has suggested that the following States might appropriately be added: Pakistan, India and Japan from Asia; Mexico, Brazil and Argentina from Latin America; the United Arab Republic, Nigeria and Tunisia from Africa and the Middle East; and Sweden from Europe.

(4) *The United Nations Disarmament Commission*: If none of these alternatives is accepted by the Soviet Union, the United States proposes that substantive negotiations be resumed in the United Nations Disarmament Commission, in which all United Nations Members are represented. The United Nations Disarmament Commission would be free to establish, if it so wished, smaller sub-committees in which detailed negotiations could be conducted.

Memorandum on Principles

UNITED STATES

MEMORANDUM ON PRINCIPLES THAT SHOULD GOVERN NEGOTIATIONS FOR GENERAL AND COMPLETE DISARMAMENT IN A PEACEFUL WORLD

The Government and the people of the United States have traditionally worked for the achievement of a peaceful world in which nations will no

³ For background, see *ibid.*, Sept. 28, 1959, p. 439.

⁴ For background, see *ibid.*, July 18, 1960, p. 88.

longer resort to war as an instrument for settling international problems. They remain dedicated to this goal.

In taking the initiative last March and suggesting a bilateral exchange of views with the Soviet Government on disarmament, the United States acted in the belief that a frank and informal discussion of issues of principle could make an important contribution to the appreciation by each side of the views and positions of the other and to effective progress along the road to a lasting peace. It also sought to meet repeated Soviet insistence that no multilateral negotiations could take place without an agreed framework for them. The United States hoped that this exchange of views would lead to a joint understanding of the guidelines for resumed multilateral negotiations—negotiations which the Soviet Union arbitrarily abandoned in 1960. Last March there appeared to be a common understanding with the Soviet Government that once these guidelines and an appropriate and representative forum were agreed upon and accepted by the other participants, multilateral negotiations would reopen on 31 July. Unfortunately, the Soviet Government took the view that such an understanding regarding both the nature of the bilateral talks and the resumption of multilateral negotiations on 31 July did not exist.

The Soviet Government stated that the bilateral talks should turn instead directly to a consideration of specific plans and that without a large measure of agreement on such specific plans there could be no multilateral negotiations. The United States believes on the other hand that negotiation of detailed disarmament plans is the concern of many States. Therefore, the United States cannot accept a procedure whereby these interested States would be excluded from participation in working out an agreement.

Consequently, the United States sought to achieve a meeting of minds on a set of principles to be submitted for approval to the other participants in multilateral negotiations. This, the United States believed, would prepare the ground for detailed and fruitful negotiations of specific measures and programmes. Such a procedure, if followed from the outset, as was the understanding reached by Ambassador Stevenson and Foreign Minister Gromyko last March, would have provided for the presentation and discussion of

a specific programme of general and complete disarmament in a peaceful world in the appropriate multilateral forum at any time after 31 July. The United States regretfully saw 31 July pass without such negotiations having been commenced.

To facilitate accomplishment of the task of the bilateral exchange of views the United States representative at the bilateral talks gave the Soviet representative on 19 June a draft statement of principles setting forth the purpose of the multilateral negotiations and the principles that should guide them. This statement closely conformed to the type of statements that had previously been the subject of an exchange of views between Ambassador Stevenson and Foreign Minister Gromyko. The United States several times made revisions of its draft statement of principles in order to meet points that had been raised in the course of the bilateral talks.

The United States representative did not, however, confine himself to the presentation of these documents. In accordance with our understanding of the purpose of the bilateral exchange of views, he sought to engage the Soviet representative in a productive discussion of the principles and considerations underlying the written documents.

As is clear from the United States documents submitted during the bilateral discussions, the United States objective is to implement a programme which ensures total disarmament with States retaining at their disposal only those minimal forces and non-nuclear armaments required for the maintenance of internal order and the protection of the personal security of citizens. Apart from these internal security forces, only an international peace force would exist. All other military force would be eliminated. The programme desired by the United States would include the establishment of reliable procedures for the peaceful settlement of disputes and effective arrangements for the maintenance of peace, including the International Peace Force, in accordance with the principles of the United Nations Charter.

The United States also set forth its views on several important specific aspects of the search for agreement on general and complete disarmament in a peaceful world.

First, the United States stresses the importance of working out a total over-all programme

providing for complete disarmament. The United States is prepared to work out the whole programme. At the same time, the United States cannot accept a situation where nothing concrete can be done until the very last word has been agreed for the total programme. Consequently, it urges acceptance of the proposition that without prejudice to eventual development of the total programme an attempt must be made to find the widest possible area of agreement—including any individual measures or groups of measures—and to implement such measures just as soon as they are agreed. The United States believes that while the complete programme with its admittedly complex provisions is being worked out, no opportunity should be missed to make a start. Any beginning, even the most limited, will represent progress. Moreover, it would facilitate the work on, and indeed form part of, the total programme which is the stated goal. The United States hopes that the Soviet Union will accept this practical approach. In disarmament, as elsewhere, the way to begin is to begin. This is why the United States particularly deplores the retreat of the Soviet Government for an effective agreement to ban nuclear weapons tests, which would have been a significant first step on the road to general and complete disarmament in a peaceful world.

Secondly, the United States stresses the inseparable relationship between the drastic scaling down of national armaments and the building up of international peace-keeping machinery and institutions. Any programme, even if it carries the title "General and Complete Disarmament", which does not embody this relationship is a programme for disorder and the perpetuation of disputes among nations. Nations which are expected to give up their means of self-protection must have available other effective means of safeguarding their legitimate interests. They must be protected against possible violators of a disarmament agreement by effective international enforcement measures. They must have available judicial and non-judicial procedures for the equitable settlement of disputes and for harmonizing conflicting interests and aspirations as they arise. They must be assured that change in the world will be orderly and progressive. And if necessary they must be assured of the protection of an international force capable of operating effectively for the common benefit of all

nations and not in the special interest of any one nation or group of nations.

The procedures and institutions envisaged by the United States would be within the framework of the United Nations as part of the programme for general and complete disarmament in a peaceful world. These procedures and institutions would not permit nations to invoke doctrines of sacred or just wars in behalf of unilateral military action since they would ensure that no one really seeking justice or the fulfillment of legitimate aspirations will need to have recourse to their own force. They would not permit arbitrary revisions of established international agreements and infringements of other nations' rights. The United States believes firmly that nations must be prepared to moderate gradually the exercise of unrestricted sovereignty and to abide by the decisions and judgements of tribunals and other bodies, even if such decisions at times may not meet with a particular nation's approval.

The Soviet Government, judging from the statements of its representative during the bilateral talks, does not appear as yet to recognize the essential requirement of the progressive development of effective peace-keeping machinery parallel to the implementation of measures leading to total disarmament.

Thirdly, the United States insists upon effective verification of all disarmament measures from beginning to end. The fundamental precept guiding the United States is that the implementation of every obligation entered into must be subject to effective verification in order to provide each participating State with confidence that every other State is fulfilling its commitments.

Verification only of the process of reducing or destroying particular elements of military strength, as proposed by the Soviet Union, does not meet the criterion of effective verification of all obligations entered into. What must be certain is not only that nations are removing certain numbers of forces and armaments from their military establishments, but also that they are not maintaining forces and armaments or engaging in activities in excess of those permitted at a given step or stage in the disarmament programme.

Any disarmament programme which professes to meet the criterion of effective verification must provide unambiguously for means of detecting

clandestine or other activities not authorized in the agreement. The absence of such provision would make any disarmament plan a sham.

It follows, further, that the verification system must be fully capable of exercising the functions necessary to ensure compliance with the agreement throughout the entire disarmament process and not just at the end of it. The phrase frequently used in Soviet statements that "under conditions of general and complete disarmament the most thorough control must be implemented" is ambiguous and does not adequately reflect the necessity for effective verification at every step and stage of the disarmament process. Indeed, it must be pointed out that if, as the Soviet Union suggests, control can be "most thorough" only "under conditions" of general and complete disarmament, but not during the process of implementing the measures leading to general and complete disarmament, it may never be possible to determine whether the "conditions" of general and complete disarmament have in fact arrived or to protect a complying party against the consequences of violation or evasion of a disarmament agreement by others.

The United States believes that effective verification requires smooth day-to-day functioning of the inspection machinery. The rights and functions of the verification system would be spelled out in detail in any agreement and in its annexes. There would of course be a political body composed as agreed by the parties, which would exercise policy supervision over the administrative arm of the control organ. But this administrative arm itself must be able to work as fast and efficiently as possible and without hindrance if it is to have the confidence of all parties. Sound administrative practice the world over and the requirement of effective verification demand efficient administration of the disarmament verification machinery. For this reason the United States rejects firmly the concept of some sort of multi-headed administrative machinery. The United States, moreover, does not agree with the effort of the Soviet Government to divide the world into three or any other number of blocs or "camps". As the United States representative indicated during the bilateral discussions, the agreement on general and complete disarmament in a peaceful world should include a mechanism providing States with recourse in the event they believe that

personnel of the administrative machinery are not properly discharging their functions.

The United States believes that the nature and extent of controls should depend strictly on the objective requirements for verification of each disarmament measure. The agreement and its annexes, based as they must be on adequate scientific and technical findings, should set forth in detail the verification requirements for each measure. No other consideration than assurance that each measure will be fully and punctually implemented should enter into the specification of verification requirements. This will ensure that no legitimate security interests of any State will be adversely affected by the application of disarmament controls.

The United States believes that the elaboration of the means of verification is the joint responsibility of all States interested in the achievement of general and complete disarmament in a peaceful world. The Soviet Union has for the past year suggested that, on the contrary, the West must carry the burden of elaborating a verification system. The United States urges the Soviet Government to join the United States in multilateral negotiations and in the conscientious and businesslike development of a verification system which would enable all parties to repose trust in a disarmament agreement.

The United States representative also dealt with numerous other aspects of principle in order to amplify the written documents tabled by the United States. He said the United States believes that time-limits must be worked out for the completion of all disarmament measures as well as for the completion of each stage. However, the problem of establishing these time-limits is complicated by the numerous technical problems involved in working out effective and reliable means of implementing disarmament measures. Moreover, an over-all time-limit would, of course, have to take into account the procedure for transition between stages. The United States will devote every effort toward solving these problems and hopes the Soviet Union is prepared to do likewise. Once the time-limits for the measures in each stage and for the stages themselves have been worked out, it will be possible to estimate the time-limit for the implementation of the total programme. The United States believes, however, that it would be unrealistic and dangerously misleading to pre-

tend that a specific over-all time-limit can be established in advance.

With regard to transition from one stage to the next, the United States believes that the underlying principle must be that States will at each stage be assured that all parties have fulfilled their obligations and that the next steps in the disarmament programme can then safely be taken. Without such assurance, there would be cause for suspicion and dispute, which might disrupt the entire disarmament process. Accordingly, the United States believes that transition from stage to stage should take place upon a review of the implementation of measures included in the preceding stage and upon a decision that all such measures have in fact been implemented as provided in the agreement. As soon as this decision has been taken, implementation of the next stage would commence forthwith. The Soviet position on this question remains obscure despite repeated United States attempts to obtain clarification.

The United States also attempted to resolve the issue of the composition of a multilateral negotiating forum. Ambassador Stevenson and Foreign Minister Gromyko had agreed previously that this would be one of the purposes of the bilateral discussions. Accordingly, the United States presented the Soviet Union with several alternative possibilities for a forum including: (1) the reconvening of the Ten-Nation Committee, which the U.S.S.R. abandoned in 1960; (2) the addition to that Committee of three officers selected from other countries; (3) an expansion of the Committee by ten members selected on an equitable geographical basis, and (4) the United Nations Disarmament Commission. Unfortunately, neither the oral statements of the Soviet representative nor a Soviet *aide-memoire* tabled on 28 July indicated a constructive Soviet response to these United States suggestions. Disarmament negotiations cannot, of course, take place without the Soviet Government. Since that Government still appears unwilling to accept a forum of workable size and equitable composition, the United States proposes that negotiations be resumed in the first instance in the United Nations Disarmament Commission. However, if the Soviet Government agrees, the United States remains willing to resume negotiations in a Committee composed of the original members of the Ten-Nation Committee, with the addition of the

following countries: from Asia—Pakistan, India and Japan; from Latin America—Mexico, Brazil and Argentina; from Africa and the Middle East—the United Arab Republic, Nigeria and Tunisia; and from Europe—Sweden. Such a committee would ensure equitable and fair representation to all geographical regions of the world. The Soviet Government is already in possession of the United States memorandum of 29 July 1961 in which the United States position on the forum issue was set forth in detail.

The views and considerations presented in this memorandum, in conjunction with the draft Statements of Principles which have been given to the Soviet Government, provide a clear statement of the position of the United States on the principles which should govern the working out of an agreement on general and complete disarmament in a peaceful world. The United States Government has studied the Statement of the Soviet Government of 27 June 1961, the Soviet Government's *aide-memoire* of 19 July and 21 July, and the draft statement of principles which the Soviet representative submitted on 27 July. It has carefully taken into account the positions of the Soviet Government expressed in these documents as well as in the statements of the Soviet representative during the bilateral talks. The successive drafts of statements of principles submitted by the United States testify to its consistent effort to meet any constructive suggestion put forward by the Soviet Union. The United States hopes that the Soviet Union will similarly make a sincere effort to work out a mutually acceptable statement of principles which will permit the early resumption of multilateral negotiations.

New York City, N.Y.
14 September 1961

Letter From Mr. McCloy to Mr. Zorin

LETTER FROM JOHN J. MCCLOY, UNITED STATES REPRESENTATIVE AT THE U.S.-U.S.S.R. EXCHANGE OF VIEWS ON DISARMAMENT, TO V. A. ZORIN, DEPUTY MINISTER OF FOREIGN AFFAIRS OF THE U.S.S.R.

20 SEPTEMBER 1961

DEAR MR. ZORIN: At the 18 September 1961 session of our bilateral discussions on disarmament you indicated that the draft of a joint statement

of agreed principles which I submitted to you on behalf of the United States Government on 14 September 1961 would be acceptable to the Government of the Soviet Union provided the following clause were omitted from paragraph 6:

Such verification should ensure that not only agreed limitations or reductions take place but also that retained armed forces and armaments do not exceed agreed levels at any stage.

This sentence expresses a key element in the United States position which we believe is implicit in the entire joint statement of agreed principles that whenever an agreement stipulates that at a certain point certain levels of forces and armaments may be retained, the verification machinery must have all the rights and powers necessary to ensure that those levels are not exceeded.

It appears from your statements that the Soviet Union will be unwilling to agree to a joint statement of agreed principles unless the above-mentioned clause is omitted therefrom. My Government has authorized me to inform you that, in the interests of progress toward resuming disarmament negotiations, it is willing to remove the above-mentioned sentence from paragraph 6 of the joint statement of agreed principles since it is an item to which the Soviet Union has not agreed.

This is done upon the express understanding that the substantive position of the United States Government as outlined in the above-quoted sentence and in our memorandum of 14 September 1961 remains unchanged, and is in no sense prejudiced by the exclusion of this sentence from the joint statement of agreed principles.

The United States continues to adhere to and will continue to advance the principle contained in the omitted sentence as a necessary element in any comprehensive disarmament negotiations or agreement.

Very truly yours,

JOHN J. McCLOY

His Excellency
V. A. Zorin
Deputy Foreign Minister of the U.S.S.R.
Permanent Mission of the U.S.S.R.
to the United Nations
680 Park Avenue
New York 21, New York

President Expresses Sorrow of U.S. at Death of U.N. Secretary-General

Following are two statements by President Kennedy on the death of Dag Hammarskjold, Secretary-General of the United Nations, released by the White House on September 18.

FIRST STATEMENT

White House press release dated September 18

I know I am speaking for all Americans when I express my profound sorrow at the tragic death of Secretary-General Hammarskjold and his associates. This sense of personal loss is shared by many millions of people of all nationalities.

Dag Hammarskjold's dedication to the cause of peace and world order through the United Nations was total. His capacity for work to bring this about already is legendary. His patience surpassed the endurance of all but the rarest of human beings. And his life is a tribute to the ability of civilized man to live by the principles of impartial justice.

Dag Hammarskjold died yesterday in the cause for which he lived. But the United Nations is a better and stronger organization—and a higher hope for mankind—because of his service to it. His name will be treasured high among the peacemakers of history.

I pray that his final sacrifice will inspire all members of the United Nations to complete the task for which he died.

SECOND STATEMENT¹

White House press release dated September 18

I know that I am speaking for all of my fellow Americans in expressing our deep sense of shock and loss in the untimely death of the Secretary-General of the United Nations, Mr. Dag Hammarskjold.

Dag Hammarskjold's dedication to the cause of peace, his untiring labors to achieve it, his courage under attack, his willingness to accept all responsibility in trying to strengthen the United Nations and make it a more effective instrument

¹ Read by the President for use on radio and TV.

for the aspirations of the hundreds of millions of people around the globe who desire to live out their lives—those efforts of his are well known.

It is tragic and ironic that his death came during a mission he was undertaking in order to bring about a cease-fire in Katanga.

I am hopeful that the members of the United Nations, recognizing his untiring labors, will at-

tempt in the coming sessions and in the years to come to try to build the United Nations into the effective instrument for peace which was Dag Hammarskjöld's great ambition.

I express my sympathy to his country, the Government of Sweden, and I hope that all of us will recognize the heavy burdens that his passing places upon us.

The U.N., a View of the Road Ahead

Remarks by Adlai E. Stevenson

U.S. Representative to the United Nations¹

You are very kind to let me say a word of greeting. I will not poach on the time of my able friend Harlan Cleveland, but I do want to tell all of you how much value we attach—we who speak for the United States in the U.N.—to the friendship and understanding support of good citizens like yourselves—and of none more than the members and leaders of the AAUN.

Not long ago a pleasant man I met said that he was in favor of the United Nations, although he didn't actually know anything about it. I congratulated him on having the right opinion and promised to supply him with some reasons for his position.

I am afraid there are also some people who are *against* the United Nations on the same grounds. If they will come and see me at the end of a bad day at the office, maybe I can supply them with some reasons too.

I confess that when I came here last January I was not too familiar with some of the details of procedure and so on at the United Nations. I felt like Rufus Choate at the opera, who didn't understand the language the performers were singing in; so he said to his educated daughter who was with him: "Interpret for me the libretto lest I dilate with the wrong emotion."

¹ Made before the American Association for the United Nations at New York, N.Y., on Sept. 17 (U.S./U.N. press release 3768).

So you can imagine how grateful I was to have about me an able and experienced staff who could tell me unhesitatingly what emotion I should dilate with. That staff has since been somewhat augmented—very little in numbers but greatly in talent—and that is a great source of confidence as we enter this 16th General Assembly. We have also, for the duration of this Assembly, a delegation whose professional qualifications, I think, are as good as any we have ever had in the history of the U.N., and I am very proud to be a part of this delegation.

Another great source of strength to me from the beginning has been the warmth of friendship and support from the public, and particularly from the AAUN. I will always remember the party you so kindly gave last winter, when I came here, and today all of us of the United States delegation are tremendously grateful to you for this reception and the confidence and encouragement which it expresses.

Of course, as you may remember, I am not entirely a newcomer to the U.N. In fact I am really an oldtimer who just took a long vacation! I know these receptions, such as you are giving today, are an annual affair. In fact I believe I heard General [George C.] Marshall give the address² at the very first reception you gave in Sep-

² For text, see BULLETIN of Sept. 21, 1947, p. 539.

tember 1947, here in New York, when he was Secretary of State and I was a delegate. On looking up his speech I find it interesting to recall that he spoke with great emphasis of the need, if the United Nations was to succeed, for leadership, both in the Government and, as he put it, "the leadership of informed and discerning men and women in each community throughout the country." Of course that is still true today and always will be. Every one of you has a chance, and a duty, to contribute some portion of leadership in our common effort to make the United Nations succeed.

The "Little People" of the World

I realize I am by no means the only United Nations oldtimer in this room, and many of you probably remember as keenly as I do the spirit in which the United Nations was born. My friend Clark Eichelberger tells me Winston Churchill said to him, while the war was still going on, "The little people will have won the war and it will be their right to say what the future will be." That spirit prevailed still at San Francisco when the charter was written, and so instead of the charter beginning with the traditional phrases about "governments" or "states" or "high contracting parties" it was made to begin with those splendid words, "We the peoples of the United Nations."

There were plenty of tragic difficulties then which we couldn't foresee. Perhaps that is just as well, or we might never have had the courage to start the United Nations at all! About one-third of the "little people" of the world have no right to say what the future will be, either for the world or for themselves. They don't even have the elemental right to know the brute facts of what is happening from day to day. Megaton bombs are blown up in their own national backyard, but they aren't told about it. So that it is possible for the foreign relations of a great part, and a very powerful part, of the human race to be carried on to a very large extent on the basis of untruth.

And yet the United Nations has been faithful to its task of standing up for the little people, for the little nations, for those who don't have great military forces. It stood up for Greece and for Korea in the early years—but that was only a beginning. In 1945 we scarcely foresaw the possibility that the great colonial empires of the West-

ern nations would dissolve so quickly that, 16 years later, the United Nations would be double its original size and that in it the old rulers and the old subject peoples would be represented equally, sitting side by side in the General Assembly, each casting one vote, each with an equal right to the floor.

Inevitably that huge transition, affecting another third of the world's people, has had some tragic episodes, and none more tragic than the multiple conflict in the Congo. There the United Nations has had to act in a hurry, amidst untold confusion, like a field hospital in the midst of battle, to assuage suffering and confine tragedy within the least possible bounds. The story in the Congo hasn't all been told yet. But we have come a long, long way there since a year ago, and we have reason to hope that the United Nations action in the Congo will go down in history as one of the U.N.'s greatest actions and perhaps as the beginning of a new era in the endless effort of the community of nations to keep the peace.

Frustration of Communist Attacks on U.N.

Now this new lease on life for the U.N. is apparently not welcome in Moscow, which has other purposes in mind. And so we have had Mr. Khrushchev's attack on the U.N., which are still going on, and his attempts through the "troika" device, through introducing the veto into the Secretariat, to dominate the Organization and bend it to his purposes.

You remember what Lincoln said when General McClellan got a little too big for his breeches and tried to tell the President how to run the war. Lincoln was reminded of a rider whose horse kicked so hard that the horse's foot got caught in the stirrup. And the rider said to the horse: "If you are going to get on, I'm going to get off."

But of course the Communists are not going to "get on" at the U.N., and the law-abiding nations are certainly not going to "get off." As far as the United States is concerned, I think I can say that we have a considerable ability to absorb frustration and we intend to stay with the U.N. through fair weather and foul. Our security demands that we do this, for the U.N. is a great source of friends and friends are the best security any nation can have.

I confess it is very frustrating to us, who have to bear the brunt of the Soviet cold war, not to

be at the head of a nice solid bloc. You read in the papers sometimes about the "Soviet bloc" and the "Western bloc" and even the "neutralist bloc." Well, unfortunately there *is* a Soviet bloc, but the other "blocs" are not blocs at all—they are shifting alinements which vary from one issue to another, for the very simple reason that each of the governments has that priceless jewel, the right to think for itself. And, frustrating as it is, we who uphold the community against attack will always have to plead and argue and listen—above all to listen!—in our quest for common ground. So I trust we will never become "bloc heads" and start playing the game by the Communist rules. If we ever did that, the game would already be over and we would have lost.

We have great hopes of the U.N.:

We believe the U.N. can and will keep on standing fast against the attacks from Moscow, until it is obvious that those attacks have defeated their own purpose and are given up.

We believe the extraordinary Congo costs will be fairly shared.

We believe the U.N. can build on its great creative achievements in the Congo and better equip itself to keep the peace anywhere in the world.

We believe the U.N. can be a great educational force in the quest for real, practical, inspected, and controlled disarmament, which we intend to pursue without letup.

We believe the U.N. can be more than an emergency ward, that it has great creative and cooperative potential; and we intend to help build that potential for the sake of the community of nations, for the aspiring peoples and the emerging nations in that community.

Broad Vision of the Future

Events have moved in these days fast and dolorously. For us they accentuate the sense that behind the issue of "standing firm on Berlin," for example, we need a long-term picture of the Europe we want, of the Atlantic world we want, and, indeed, our whole vision of the future. Without a broad picture of the road we want to travel, how can we achieve the patience, the good sense, the fortitude, and the elan to deal with perpetual recurrence of local trouble and the perpetual risk of general war?

I sometimes think that we in the West still have a half-belief in a pattern of luck by which, without lasting commitment, free society will survive and flourish. But there is no place now for ease and rest and good fortune. Either we are going to build with pain and effort and dedication a world in which men can live and prosper and be brothers, or its antiworld is going to be built.

It is this sense of the society we have to try to create through the U.N. which I think needs accent. If we only improvise from crisis to crisis with no sober, fearless view of the way ahead, we can expect more and more people to say, "Better an end to the horror than a horror without end."

And we believe that, in the long and slow and tragic situations where just and peaceful changes are opposed by great power, the U.N. can keep on speaking up bravely for the right until the day comes when right can prevail in peace.

I don't want to mislead anybody. I am no utopian. I like that fine two-line epigram of Robert Frost:

But Islands of the Blessed, bless you, son,
I never came upon a blessed one.

We expect to continue to have emergencies and flaps, and we don't expect to score a touchdown on every play. We certainly don't plan to embark soon for the Islands of the Blessed. But we are deeply and permanently heartened by the knowledge that the cause to which we are committed, the cause of the decent and tolerant and open world portrayed in the charter, is worth all the sweat and tears it may cost us in the years ahead. And the fact that you, who are distinguished citizens and opinionmakers, share that belief is an immense encouragement to us through every day of the year.

Letters of Credence

India

The newly appointed Ambassador of India, Braj Kumar Nehru, presented his credentials to President Kennedy on September 21. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 652 dated September 21.

Basic United States Policy in Africa

by G. Mennen Williams

*Assistant Secretary for African Affairs*¹

It is a great pleasure and honor to be invited to address the Rhodesia National Affairs Association. This is our third and final day in Salisbury before going on to Blantyre, the Copperbelt, and Lusaka. We also slipped into your country about 10 days ago for a first glimpse of your magnificent Victoria Falls.

My wife and I have been tremendously impressed by this vital city of Salisbury. We have met and talked with a great many of your citizens and have noted many evidences of the progress you have been making in housing, education, and welfare. This morning it was a special pleasure to attend the greatest tobacco auction in the world, where we heard the familiar sounds of an American tobacco auctioneer. Later today we are looking forward to our visit to the University College of Rhodesia and Nyasaland.

This is my second visit to Africa since President Kennedy appointed me to the Department of State. My mission is, first of all, to become acquainted with the leaders and public of Africa and to convey to them renewed assurances of the keen interest and friendship of the United States. Second, and quite simply, I have come to learn of your aspirations and your problems so as to offer effective counsel to my Government in the formulation of its foreign policy.

The United States Government under the new administration of President Kennedy finds itself faced by a host of critical and fundamental problems of foreign affairs. Some of these are of grave

and immediate urgency. Others have a long-range but equally profound significance.

These problems manifest themselves in many ways and in many different parts of the world. Yet there seem to be ties that bind quite a number of them together. People the world over want governments of their own choosing. They want a better life for themselves and their children. And they want to enjoy the full recognition of their dignity as human beings. When the continued enjoyment of these conditions is threatened, or the prospect of achieving them is denied, the result is a restiveness which more often than not smolders or explodes into unpleasant problems.

The United States is concerned about these things because of our moral and political heritage but also because we believe that the denial of these values jeopardizes the world of peace and justice we want for ourselves and our children.

Berlin, a Symbol of Freedom

In these terms one of the most pressing challenges today is that of Berlin. Berlin is a vitally important symbol of freedom and self-determination to a large part of the world. It represents the desire and the determination of 2¼ million West Berliners to continue under a government of their own choosing, and it is a focus of the hopes of other millions now under the imperialist rule of the Kremlin. What West Berlin means has been demonstrated in recent weeks by the repressive measures taken by the Communists to stop the flow of refugees who streamed by the thousands and thousands into the West Berlin sanctuary of liberty and hope. I need only add that the Soviet Union maintains 22 divisions of occupation troops

¹Address made before the Rhodesia National Affairs Association at Salisbury, Federation of Rhodesia and Nyasaland, on Aug. 25.

in the countries of middle and eastern Europe to subjugate these aspirations for freedom.

President Kennedy has plainly told the American people that the Soviet threat to continued freedom and self-government in West Berlin has brought the unsought choice of war or peace dangerously close. You may be sure—and President Kennedy has stated it in so many words—that “the challenge is not to us alone” but “to all who want a world of free choice.”² Surely many of you here have known war. And all of you can read the omens of this shrinking planet in the trace of satellites whirling through the heavens overhead. My country, like yours, has known a time of isolation, but that time is gone with the wind.

We have made our pledges, with the support of the Atlantic Community, to meet the peril of Berlin. We hope, with God's help, to preserve the peace and defend the human rights of the people of that city. At the same time, we look out upon another and broader field in which the future of countless millions of human beings will be determined—a future equally bound up with peace and security for all of us. I am speaking here of the less developed areas inhabited by some two-thirds of the world's peoples.

Is the question of freedom any less vital here? Surely it is not, for we hold that freedom is indivisible. That is why President Kennedy has pledged the United States to assist the less developed countries to build up the strong and independent societies to which their peoples aspire. That is the underlying support for our policy toward Africa.

We recognize that the new nations of Africa do not wish to be involved in the cold war. And we believe that they need not be directly involved, provided they can work out solutions to the basic problems of misery and despair, of human rights and essential justice. The Communist aim of course is to aggravate the tensions and discontent that may be attendant on this process, but the problems themselves are inherent in the transitional process. Our purpose is to help these peoples and governments to help themselves, because in this ever more interdependent world what concerns all of you here in Africa sooner or later will concern us, if it does not affect us already.

² BULLETIN of Aug. 14, 1961, p. 267.

Africa's Aspirations

On my visits to the newly independent countries of tropical Africa, I have been impressed by the sincerity and conviction with which national leaders have told me of their aspirations.

First among these aspirations is the desire to be free from any form of outside domination, to be independent in the fullest sense. The United States recognizes the dynamics of nationalism in Africa today. Coupled with this is an awareness and assertion of what is often referred to as the African personality. Also related is a fierce desire for racial equality and sensitivity to problems of color wherever they trouble the world.

Then there is the compelling, burning aspiration for education. To provide educational opportunities to millions of young Africans is a tremendous challenge to responsible governments and to those from outside who would help. Yet I submit we cannot evade this challenge.

Another basic aspiration is for economic development to raise living standards and assure political stability. The prevailing pattern is one of economic planning for rapid development in which there is a mixture of private and government-owned enterprise. Very little in this pattern is rigid or doctrinaire. And we must of course expect these new African states to develop governmental institutions which fit the values of their particular societies.

This may sometimes mean a greater reliance on some aspects of centralized authority than in the democracies of the Western World. The evidence suggests, however, that democratic forces will continue to make themselves felt. In the history of Europe and America there is much evidence that the early processes of nation-building are formidable and often turbulent. Yet, to date, the broad consensus of the peoples of the new African states has been responsive to their leadership.

Problems Facing the New Nations

The newly independent countries of Africa face a great many problems. They are short of capital, short of skills, short of broad experience in self-government. Their leaders seem to be in a great hurry, new and changing groupings among them appear to be developing, and there are a good many borders in dispute.

In our view it is not reasonable to expect to

find fully mature governments firmly in place in these new countries. What is striking, and reassuring, is that the great majority of the new leaders are conducting responsible independent governments, despite all their burdens. The Congo has been an important exception, but clearly it is an exception and not the rule. And let me add that the United States has steadfastly supported the United Nations in the Congo with one purpose: to allow the Congolese people to develop their own national destiny.

If all these leaders can keep abreast of the rising expectations of their peoples, responsible government will prosper and mature. That is why they deserve our help. For the alternatives are surely demagoguery, disorder, and subversion.

There has been an unprecedented transfer of power in Africa, and we must accept the plain facts that there are now 28 sovereign nations in Africa, of which 18 have attained their independence in the past 2 years. This represents an enormously significant transformation in our world community.

This new play of forces on the world stage may seem poorly rehearsed, and we are not very well acquainted with many of the actors. But this drama of change is a text for our times. It cannot be buried by angry men or hidden in the midst of the sea by those who dislike or fear its unrolling. It is inexorably written in the lifestream of our times.

Around this central theme there is, in Africa, much diversity in political and social development, and I do not suppose that what is true of one area is necessarily true everywhere. On the other hand, no part of Africa is set apart from this great process of transition, which is so much in your own thoughts today.

Whatever may be said of the tensions inherent in the colonial experience, it is striking that the great majority of the new African nations have emerged to freedom peacefully. A considerable degree of preparation, perhaps lacking in some respects but nevertheless vital, was extended to these dependent peoples in the field of economic development, education, political expression, and self-government. Confusion has resulted, and could result again on the continent, largely through failure to make this preparation or from undue delay in the political process which it is intended to facilitate.

Where preparations for inevitable change have not yet begun, the hour is dangerously late. But even in those areas determined reform coupled with genuine good will may in God's grace find success. Let us pray that this course will be chosen.

Resolving the Issues

Your own government institutions and your peoples are engaged in a vital process not only of constitutional transition but of accommodation between races. Certainly these problems of transition and accommodation must be resolved primarily by the peoples and governments concerned. It is our genuine hope that political, social, and economic progress will occur without reference to the race of individual citizens and certainly without the derogation of the full rights of any element of the population.

There are some who feel you are going too fast, and there are some who feel you are going too slow. But the important thing is that you have not set your face against the course of history. You are working toward the commendable goals of self-government by all the people and an interracial society. It is the speed with which you approach these goals which is the substance of your political dialog. We take it that it is your intention to get on with the job.

We in the United States are humbly aware that we have yet to achieve the full promise of racial equality. But it is the declared law of the land, it is the vigorous policy of our new national administration, and we shall attain it.

American foreign policy is based on a set of principles to which we hold most seriously. Self-determination is one of these principles. In fact it is a universally recognized principle which asserts the right of people to determine the kind of government under which they want to live. This is the very basis of the world order which makes possible the area of freedom and which, I am sure, is the goal of your own evolution.

From this basis the United States will seek to evaluate its policies toward Africa according to the merits of each individual case and problem. We do not propose to apply formulas, nor have we any desire to export any particular concepts of our own. We shall, instead, adhere to principle and try to use our influence judiciously and in concert with men of good will, of all races and

creeds, in whose hands the future of Africa rests.

In conclusion may I express again my appreciation for the opportunity to visit this part of Africa. I am gratified at the good will I find among so many and at the dedicated efforts being made, by people of all races, to create a society in which all can fully enjoy a good life in peace and harmony.

I think I can understand the disappointment of those who find things moving too slowly and even the concern of those who find things moving too fast. Certainly I would not minimize the tasks of transition which are yours to solve.

Speaking for the Government of the United States and on behalf of its people, I wish you Godspeed in bringing those tasks to a successful conclusion.

President Signs Mutual Educational and Cultural Exchange Act of 1961

Remarks by President Kennedy

White House press release dated September 21

I am delighted to sign the new Fulbright-Hays Act.¹ This ceremony has historic significance because it marks full recognition by the Congress of the importance of a more comprehensive program of educational and cultural activities as a component of our foreign relations.

The varied pieces of legislation, beginning with the Fulbright Act of 1946, following through with the Smith-Mundt bill and others, have now been gathered together and expanded to form for the first time a solid base for more effective activity in this most essential field.

I want to congratulate and express my appreciation to Senator [J. William] Fulbright, whose name has long been a household symbol in the world for this great phase of our national and international life, and to Congressman Wayne Hays, who has so skillfully and conscientiously steered this legislation through the House.

¹ H.R. 8666.

Peace Corps Legislation Signed Into Law by President Kennedy

Statement by the President

White House press release dated September 22

With the enactment of this legislation,¹ an avenue is provided by which Americans can serve their country in the cause of world peace and understanding and simultaneously assist other nations toward their legitimate goals of freedom and opportunity.

I want particularly to express pleasure at the bipartisan effort and support in the shaping of this new agency.

Already more than 13,000 Americans have offered their services to the Peace Corps. By the end of the year almost 1,000 will be serving overseas or completing their training in the United States. By July of next year we hope to have 2,700 in training or abroad.

These men and women are going overseas at the request of the host nations. They will be doing specific, needed jobs. They will be working at a level and living at a level comparable to the citizens of the foreign nations. They will be farmers and teachers, craftsmen and nurses, doctors and technicians of all kinds. They will be a cross-section of the finest men and women that this nation has to offer.

The sure sign of a good idea is that you can follow it, and I am pleased that several other nations have decided to establish peace-corps agencies of their own.

Much credit for what has been done must go to congressional leaders like the men and women in this room, and the scores of other dedicated Americans who have given their advice and counsel.

Also I want to express my esteem for the most effective lobbyist on the Washington scene, Mr. Sargent Shriver.²

¹ H.R. 7500; for background, see BULLETIN of June 19, 1961, p. 980.

² Mr. Shriver is Director of the Peace Corps.

Forty Newly Independent States: Some Politicogeographic Observations

by G. Etzel Percy
The Geographer

Since the midpoint of World War II, 40 new sovereign states have come into being as members of the world community. Expressed mathematically, an average of slightly more than two dependencies per year have received their independence during this period. Actually, of course, the emergence of new states has not conformed to any pattern of timing. The years 1945, 1950, 1952-55, and 1959 saw the birth of no new states, but 1960 alone witnessed no less than 18. In fact, 34 of the new states can be identified as belonging to one of two major independence movements which in turn were geared to the contemporary international situation.

The first came about as a result of the realignment of power in World War II; 15 states, either directly or indirectly, can associate their newly found statehood with some phase of that great conflict. For example, Indonesia gathered momentum for independence through the weakening of Dutch prestige and influence during the Japanese occupation from 1942 to 1945.

The second independence movement followed the close of the war by more than a decade—and still is in process. It can be traced to the waning of power among the maritime states of Europe and the awakening of political consciousness among the colonial peoples, particularly in Africa. Nineteen new states have so far resulted from this second wave, the momentum of which in some ways has had a snowballing effect—action in one political entity in Africa establishes the precedent for similar activity in another, and this in turn for still others. (The same trend, though on a less grandiose scale, can be noted in the political development of 19th century Latin America,

when 12 colonies gained their independence in the 20 years from 1821 to 1840.)

The recent surge of so many new states onto the world scene has brought the overall total to 111, a number unprecedented in history.¹ In 1913 only 63 countries were generally conceded to be sovereign states. Between the two world wars 11 states came into existence, largely as the result of a new alinement of countries within Europe. Especially noteworthy was the breakup of the Austro-Hungarian Empire into all or parts of five new states: Austria, Hungary, Czechoslovakia, Poland, and Yugoslavia.

Since World War II the new countries have in general been occasioned by completion of a centrifugal cycle which began with the establishment of dependent areas in Asia and Africa, the development of these areas into well-defined political entities with their own desires and ambitions for self-rule, and the breaking away from the metropole country and inauguration of national governments. In some cases this cycle from original settlement to statehood required centuries; in others only a few decades.

The 40 new states exert a powerful impact upon the world. In relation to all independent states they represent 36 percent of the total number. In area and population they represent 21 percent and 30 percent, respectively. In theory then, 3 out of each 10 persons living in one of the world's sovereign states has enjoyed complete autonomy for less than two decades. Since 30

¹This number is the one used in the Office of the Geographer to denote those states generally considered to be fully independent. It does not necessarily coincide with the number of states which the U.S. Government formally recognizes.

percent of these people (863,461,000) live on 21 percent of the area (9,790,000 square miles), the conclusion may be drawn that the newly independent states are, on the average, nearly 50 percent more densely populated than the older states.

Thus the new states have inherited a situation which introduces to the world community a double-headed problem of serious proportions. Newness itself, reflected in lack of time to establish locally oriented national economies, is coupled with environments already taxed beyond the world norm to support their inhabitants.

Qualifications for Statehood

Because of the varying shades of autonomy and its interpretation by legislative bodies with different traditions and philosophies, it is difficult to determine in all cases whether a political entity can be considered independent or not. As basic guidelines certain qualifications must be met:

1. There must be a people—a body of individuals;
2. There must be an area which the people occupy;
3. There must be an effective organized government;
4. There must be relationship with other political entities;
5. There must be a degree of civilization which allows the carrying out of international responsibilities.

Or as one geographer summarized the prerequisites:²

A modern sovereign state is a politically-organized area in which the people give their support to a government for the purpose of defending and fostering the development of a distinctive body of traditions and institutions.

Beyond the above guidelines various intangible factors within a political entity may influence its status relative to degree of autonomy. Further, outside recognition—or lack of recognition—of any political entity's independence is not only unpredictable but varies from state to state. For example, any given political entity may be recognized as independent by some but not by all states. In a world fractured with discord this factor of interrecognition can indeed become complicated.

² Preston E. James, *Latin America*, The Odyssey Press, New York, 1959, p. 49.

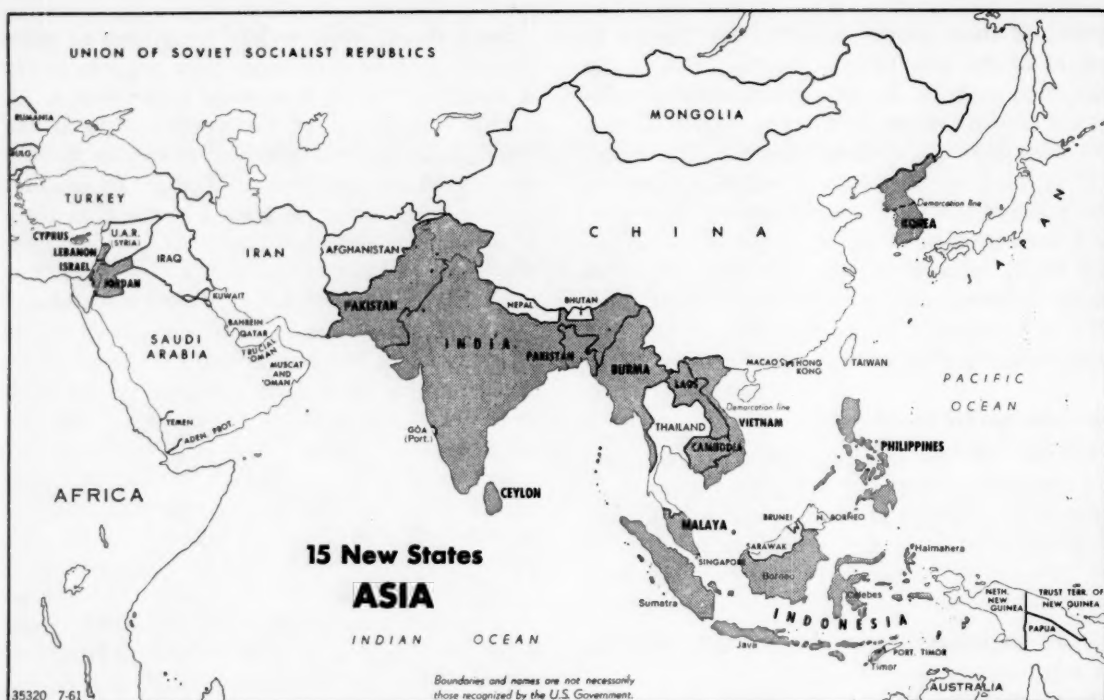
Some states, while widely recognized as independent, may be little more than puppets as far as autonomy in its true sense is concerned. A modern expression of the puppet state is the "satellite," as several countries of eastern Europe are labeled by the Western World. In contrast various regimes not recognized by the U.S. Government, including northern Korea, northern Viet-Nam, and the Soviet Zone of Germany, fail to qualify in this article as "newly independent."

Several microstates in Europe maintain status as independent states mainly by virtue of traditional recognition of their autonomy dating back to the petty kingdoms of feudal days. Not uncommonly a political entity is fully self-governing except for its external affairs. Several sheikdoms on the Arabian Peninsula fall into this category and may arbitrarily be classified as semi-independent. On the other hand the "self-governing colony" of Southern Rhodesia lacks the basis for semi-independence despite the purported internal autonomy. In this instance the United Kingdom has a direct line of authority into the colony through the governor.

Distinctions in Analyzing Sovereign Status

To arrive at 40 as the number of newly independent states since 1943 was achieved not without perplexing problems. Several examples may suffice to point up some of the distinctions required in analyzing sovereign status. In 1944 Syria, a French mandated territory, received its independence, yet does not appear among the "forty." Without doubt the Syrians now live in an independent state but did not prior to 1944. Should they not then be rated as living in a newly independent state? If Syria had continued to exist as a state it undoubtedly would have so qualified. In 1958, however, Syria amalgamated with Egypt to become the United Arab Republic, its citizens thereby losing their identity as sovereign subjects of the country which had attained independence 14 years previously.

A closely related problem concerns the United Arab Republic itself as a sovereign state. The political entities making it up, Egypt and Syria, were independent at the time of amalgamation; so it must be classed as a "new" rather than a "newly independent" country. On the other hand, the Syrian Region of the United Arab Republic was a dependent area at the beginning of the period



under consideration—1943 to the present. In this limited sense there might be some justification for considering the United Arab Republic as “newly independent in part.”

The reestablishment of Austria as a republic at the close of World War II from its *anschluss* with Germany in 1938 did not constitute the creation of a newly independent state. An Austria had previously existed as a sovereign state.

For 5 days, June 26–July 1, 1960, the protectorate of British Somaliland enjoyed the privilege of being an independent state. This short-lived autonomy, however, was part of the legal procedure to combine the area with the former Italian Trust Territory of Somaliland (Somalia) to create the Somali Republic. For all practical purposes British Somaliland gained its independence as a part of the new Somali Republic and cannot be counted separately as a state.

Another interim state with full sovereignty was the Federation of Mali, declared independent from France on June 20, 1960. It broke up into the present two republics of Senegal (August 20, 1960) and Mali (September 22, 1960), corresponding in area to the former autonomous states of Senegal and French Soudan within the French Community.

A current sovereignty change on the map of Africa involves the British Cameroons. The northern section of this small trust territory merged with Nigeria on June 1, 1961; the southern section on October 1 became a part of Cameroun. These shifts mean inhabitants of a dependent area are becoming inhabitants of an independent area but not that new independent states are being formed.

Kuwait stands among those states considered by the U.S. Government as independent, but just when this recognition began is almost impossible to determine. On June 19, 1961, an official note from the United Kingdom to the state of Kuwait set forth certain conclusions that indicate full independence:

1. The Agreement of the 23d of January, 1899, shall be terminated as being inconsistent with the sovereignty and independence of Kuwait.

2. The relations between the two countries shall continue to be governed by a spirit of close friendship.

3. When appropriate the two Governments shall consult together on matters which concern them both.

4. Nothing in these conclusions shall affect the readiness of Her Majesty's Government to assist

the Government of Kuwait if the latter request such assistance.

The "Agreement" mentioned above spells out the protected-state nature of Kuwait in certain matters. Only a few words need be cited from the earlier document to bear out this fact:

... that the said Sheikh . . . does hereby pledge and bind himself, his heirs and successors not to receive the Agent or Representative of any Power or Government at Koweit, or at any other place within the limits of his territory, without the previous sanction of the British Government.

It is evident that the 1899 document was not in force when the 1961 note was written. But when between 1899 and 1961 did Kuwait become an independent state? No basis exists for placing it among the 40 states under discussion though conceivably its independence has in part at least materialized since World War II by force of a series of bilateral and unilateral actions, no one of which sharply defines the newly found autonomy.

Of the 40 new states under discussion all but 3 have membership in the United Nations. The newest state—Sierra Leone—became a member on September 27, 1961. The United Nations has rejected the applications of the republics of Korea, Mauritania, and Viet-Nam. As participants in the activities of the specialized agencies of the United Nations, however, these nonmember countries are not without some voice in world affairs.

Location

By continents the 40 newly independent states break down very unevenly: 24 in Africa, 15 in Asia, and 1 in Europe. This distribution explains in part the surging influence of the African and Asian nations in U.N. affairs. In addition to the 35 new members, there are 14 other nations in these two continental areas which are members of the United Nations; they therefore have a potential voting power of 49 out of 99 in total strength. It is well to bear in mind, however, that the differences between the nations of Africa and those of Asia are often as marked as the differences between members of any other group of nations.

A closer look at the distribution of newly independent states shows a meaningful regional concentration. One-half of the 40 states may be associated with Middle Africa, though 5 of them project northward into the dry northern part of

the continent. The northern segments of Mauritania, Mali, Niger, Chad, and Sudan penetrate the Sahara Desert itself. Except for this dry periphery the 20 states of this broad region make up the major portion of tropical Africa. For purposes of classification the Malagasy Republic may be added to the group, although its inhabitants do not consider themselves as Africans. The popular American concept of Africa with its new states and political problems normally focuses upon that part of the continent south of the Sahara.

Another seven of the new states lie along the southern and eastern margins of the Mediterranean. Independence in this elongated area has strengthened the Moslem world by creating a chain of Arab states extending from its traditional center in the heart of the Near East to Morocco, which faces the Atlantic Ocean.

A third regional grouping encompasses 10 states which form the preponderant part of the two politico-geographic areas known as South Asia and Southeast Asia. Only Thailand breaks a continuous band of newly established sovereign lands stretching from West Pakistan to the open Pacific Ocean beyond the Philippine Islands. Especially noteworthy is the extremely heavy population of these 10, accounting for more than four-fifths of the inhabitants for all 40 newly independent states.

Thus 38 of the new states under consideration—all except Iceland and Korea—fall into three distinct regional groups.

One may also examine the location of the newly independent states from the standpoint of latitude. No less than 30 of the 40 lie wholly or mostly within the Tropics. In fact 5 of the states are astride the Equator, and another 13 lie within 500 miles of it. (In contrast, of all the independent states in the Eastern Hemisphere before 1943, only Ethiopia and Liberia were located less than 500 miles from the Equator.) Another 8 lie sufficiently close to the Tropics to be classed as subtropical. Among this group Libya and Pakistan extend southward across the Tropic of Cancer. Only two of the newly independent states, Iceland and Korea, have high latitude positions, although even southernmost Korea is no farther from the Equator than the city of Los Angeles. Thus 38 newly sovereign states, dominated by a tropical or subtropical environment, exert a heretofore unknown effect upon world relations.

**FORMER SOVEREIGNTY
OF
NEWLY INDEPENDENT STATES¹**

<i>New states</i>	<i>Former dependencies</i>
Former French:	
Lebanon	Lebanon (mandate)
Viet-Nam	French Indochina
Laos	
Cambodia	
Morocco	
	Morocco, Tangier International Zone)
Tunisia	Tunisia (protectorate)
Guinea	French West Africa
Dahomey	
Niger	
Upper Volta	
Ivory Coast	
Senegal	
Mali	
Mauritania	
Cameroon	Trust Territory of (French) Cameroons, then State of Cameroon
Togo	Trust Territory of (French) Togoland
Malagasy Republic	Madagascar and dependencies
Chad	French Equatorial Africa
Central African Republic	
Congo	
Gabon	
Former British:	
Jordan	Palestine (mandate)
Israel	British India and Associated States
Pakistan	
Burma	Burma (colony)
Ceylon	Ceylon (crown colony)
Sudan	Anglo-Egyptian Sudan (condominium)
Ghana	Gold Coast and Ashanti Colonies, Northern Territories Protectorate, Trust Territory of (British) Togoland
Malaya	Malayan Union, then Federation of Malaya
Cyprus	Cyprus (crown colony)
Nigeria	Nigeria (colony and protectorate)
Sierra Leone	Sierra Leone (colony and protectorate)
Former Italian:	
Libya	Libya (Italian colony, then joint administration by United Kingdom and France)
Somali Republic	Trust Territory of Somaliland and British Somaliland
Former Danish:	
Iceland	(same King as Denmark)
Former American:	
Philippines	Philippine Islands (commonwealth)
Former Japanese:	
Korea	Korea or Chosen (annexed to Japan)
Former Dutch:	
Indonesia	Netherlands East Indies
Former Belgian:	
Republic of the Congo	Belgian Congo

¹ In the preparation of the table some details of sovereignty have been omitted in favor of a more general overview.

took advantage of modern improvements and adopted the British way of doing things. Malaya became one of the best developed of all wet tropical areas, its heavy forest penetrated by a network of good highways. Bagpipe music and cricket matches continue in India and Pakistan. Burmese, Nigerians, Cameroonians, and other British colonials were never precluded on account of their race from attending universities in Britain or otherwise visiting that country.

The other metropole countries likewise left varying impressions on areas formerly under their sovereign control. For example, the Belgians tended to stress economic and social development rather than political. On the other hand, the democratic institutions remaining in the Philippine Islands serve as a reminder of American influence on that archipelago for nearly half a century. As a final illustration, one may look at the capital cities of Libya and the Somali Republic and see the Italian influence. Significant development of these areas as dependencies came during the fascist regime in Italy; when civic improvements assumed the lines and proportions of exhibition grounds and buildings. The present government quarters and their landscaping match the prewar style of architecture in Italian cities.

Patterns of Independence

Any attempt to account for the autonomy of the newly independent states by recognition of a consistent pattern from one to another is thwarted by the presence of countless variables. Each state possesses its own unique set of characteristics stemming from the past and tempered by its role in the contemporary world. Nevertheless, there are a few common denominators to be found in all or most of the 40 new countries. First, if a political entity once attains statehood, chances for survival are excellent. Other than the exceptions and irregularities discussed earlier, every state receiving independence since 1943 has remained intact as a sovereign entity and continues to function as such. It is to the advantage of the community of nations to uphold the integrity of its various members. Over a longer span of time the same story is to be told of the 20 Latin American countries which came into existence in the century between 1804 and 1903.

Another characteristic common to all 40 states is their Western form of government. Parliamentary procedure from one new country to another fundamentally varies but little. There may be a range from strong central control to a loosely knit federation, or the role of single or multiple political parties may differ, but in no instance has any pre-European governmental system survived.* Some states have gone back into their past for a state name (Mali, Ghana) or reverted to a former language (India, Ceylon), but none has been sufficiently nationalistic or sentimental to incorporate any tribal, clannish, or other early hierarchal elements into its overall governmental institutions.

Although the 40 new states by no means come from the same mold, trends or attitudes in international relations show a surprising uniformity. For one thing, nationalism shows up strongly but not to the degree that the new states sink into isolation. In addition, all seek a better way of life as measured in Western economic goods. Likewise, most of the states, even though they have dissenting minorities, have sufficient control and political viability to override the constant friction which would seem capable of eroding the government structure to the point of collapse. In fact, absence of disrupting influences capable of causing permanent or serious rifts undoubtedly proved to be a factor in facilitating independence. The presence of white minorities in the Rhodesias and Kenya has to date impeded the severance of ties between these dependencies and the United Kingdom.

Independence Equation

The effectiveness of any role which a young state may play in the world community hangs in delicate balance. Advantages favorable to statehood must be used prodigiously against negative factors which are always present to discourage and stifle growth and development. In the world as it exists today formidable obstacles continually harass any state experiencing for the first time its own sovereign control. Economic weakness, internal dissension, cultural diversity, outside pressure, and the frightening specters of violence

* American rule in the Philippine Islands was preceded by that of the Spanish, thus the Philippines is included with the other 39 states under consideration in this article as having been under European sovereignty.

or war all unfortunately highlight the negative factors and handicap constructive measures to establish strength and stability in a state.

However, the viability of a people and its government is not always to be determined by physical environment or the equilibrium of its strengths and weaknesses. Pakistan began existence as a geographical anachronism, divided into two parts by 900 miles of Indian territory. It lacked the combination of resources assuring strong economic development, for the areas now making up East Pakistan and West Pakistan were peripheral to the subcontinental economic structure of British India. Soon after independence in the late 1940's economists wrote of the hopelessness facing Pakistan as a successfully functioning sovereign state. Yet now, little more than a decade later, that country stands as one of the strongest in Asia—a bulwark of Western defense in the south and southeast parts of the continent. The vitality of the Pakistani and the direction of their Government have been sufficient to meet the challenge of what appeared to be an equation top-heavy on the negative side.

We may look at the small states in Middle Africa—Dahomey, Gabon, Sierra Leone, or Togo—and see bleak futures if only the geographic realities are allowed to come into perspective. These countries in west Africa are basically strips of territory with ocean frontage, originally established by seafaring Europeans in search of routes to lands of fabulous riches. Individually each strip, or country, has a singularly small array of resources, and even the resources that have been developed are oriented primarily toward the former European metropole countries. Surface transportation in this part of Middle Africa conspicuously avoids crossing international boundaries.

In light of their physical and economic inheritances, these new states have little choice other than to reorient their activities and their outlooks to a new locus. Because of small size, especially in a competitive world strongly influenced by great powers, any advance of status must in part at least depend upon membership in supranational organizations. Alliances capable of generating sustained support and cooperation may also be of infinite benefit. Aid from foreign sources likewise may serve as a catalyst in providing a new state the means of extending its economic horizon.

On the diplomatic front, too, a new state's leaders may be on the tightrope, establishing the most advantageous accords and at the same time withstanding adverse pressures. It must be remembered that violence was associated with the independence of 7 of the 40 new states—testimony to an ever-potential danger of disrupted negotiations. A substantial proportion of the recent crises appearing in the headlines transpires in the new states under discussion: Laos, Congo, Tunisia. Unfortunately a new state, lacking traditions and long-established order, may be subject to a "shaking down" process that creates strife both internally and externally. The U.S. position in supporting the sovereign status of new countries encourages attitudes and action which may ease tensions and facilitate constructive progress.

New States To Come

Two dependent areas have definite dates for their entrance into statehood: Tanganyika on December 28, 1961, and The West Indies on May 31, 1962. The latter will be the first new state in the Americas since the Republic of Panama was established in 1903, if one excepts later stages of the transition of Canada from a British colony to a self-governing member of the Commonwealth.

Other political entities are also believed to be on the threshold of independence or working toward that end. The greatest concentration of potential states lies in Middle Africa. Ruanda-Urundi, now a trust territory of Belgium, may become independent in 1962, possibly as two countries—Ruanda and Barundi—based upon major tribal elements within the area. Nearby Uganda also has tribal problems to resolve prior to independence, while Kenya and the Federation of Rhodesia and Nyasaland find divisive interests between Africans and large white minorities the greatest obstacle in the path to final statehood.

In the Pacific area Western Samoa is being prepared for independence by New Zealand. (The eastern part of the island group, it may be recalled, comprises American Samoa, an unincorporated territory of the United States.) In the Western Hemisphere both British Guiana and British Honduras, following in the wake of The West Indies, have been scheduled for independence within the next 2 or 3 years.

In the present swing toward independence there is no way of knowing how small an area or a popu-

lation may be and still qualify for statehood. Of the newly independent states the smallest, Lebanon, has 3,400 square miles, or about two-thirds the area of Connecticut. Iceland has the fewest people, counting only 170,000 in 1958. Likewise, one can turn to the microstates of Europe for examples of diminutive sovereign states.

Only a relatively small proportion of the world remains as dependent areas; so there is a limit to the continuation of the great era of newly established states which we are now witnessing. Less than one-third of Africa is left, plus a number of scattered islands. Dependent areas on continental mainlands other than in Africa have nearly disappeared.

Assuming all dependencies of consequence receive full independence, are there other factors that might change the sovereignty pattern of the world? Might there be a swing in the other direction—consolidation of territory into larger states? Federation is a step in this direction, though in practice this procedure seems to be more applicable for integral parts within a state than for encompassing multiple sovereign states into a new sovereign entity. There is also the opposite alternative—might not existing states, especially large ones, be broken down into multiple states? Certainly this trend is not now evident. The one sure fact is that political entities over the earth are ever changing, as if composed of diverse viscous substances. New countries are constantly being built up or broken down. Stability—at least in this area of human affairs—is probably a condition that the world will never see.

Foreign Policy Briefings To Be Held at Dallas and Kansas City

Press release 651 dated September 21

The Department of State will hold regional foreign policy briefing conferences at Kansas City, Mo., on October 26 and at Dallas, Tex., on October 27. Representatives of the press, radio and television, and nongovernmental organizations concerned with foreign policy will be invited to participate.

The Kansas City conference, in which the Kansas City *Star* and the University of Kansas City are cooperating with the Department of State, will bring together participants from Iowa, Kansas, Missouri, and Nebraska. The Dallas

meeting, to which media and organization representatives from Arkansas, Louisiana, Oklahoma, and Texas are being invited, is being organized in cooperation with the Dallas United Nations Association.

Under Secretary of State Chester Bowles and other principal officers of the Department of State will take part in both conferences.

These regional meetings continue the series which was inaugurated in July of this year at San Francisco and Denver.¹ Their purpose is to provide opportunity for discussion of international issues between those who inform the public on the issues and the senior officers of the Department of State who have the responsibility for dealing with them.

Invitations will be mailed shortly.

Cambodia Port Highway Project

*Statement by Henry R. Labouisse*²

Press release 659 dated September 23

The committee report deals with an aid project which was commenced in 1955 and completed in 1959. It is the constant aim of this administration to improve the operation of the foreign aid program, and we concur in the committee's recommendations, which have a similar objective. Actions along the lines recommended by the committee are already in progress and in most respects were initiated even prior to the committee's investigations of the Cambodia highway project this year. Many of these actions are being carried out in conjunction with the current reorganization of the foreign aid program and the establishment of the new Agency for International Development. We expect they will improve administrative procedures. We also expect that investigations now in progress by the Bureau of Public Roads in behalf of ICA and at ICA's request will identify the factors responsible for any deterioration in the Cambodia highway so that appropriate steps may be taken to protect the interests of the United States Government.

¹ BULLETIN of July 24, 1961, p. 165.

² Concerning a report of the House Committee on Government Operations, *Cambodia Port Highway: A Supplemental Report* (H.R. 1250). Mr. Labouisse is Director of the International Cooperation Administration.

United States Gives Aid to Flood Victims in Burma

Following is the text of a telegram from President Kennedy to Prime Minister U Nu of Burma.

White House press release (Hyannis, Mass.) dated September 16

16 SEPTEMBER 1961

His Excellency U NU: On behalf of the Government and the people of the United States I express deepest sympathy for losses suffered by victims of the severe floods which have devastated large areas of your country. Ambassador [John S.] Everton has already made certain funds available for relief and I have asked him to discuss with your government other emergency measures which the United States Government might be able to take to help relieve suffering.

JOHN F. KENNEDY

His Excellency

U NU

Prime Minister, Minister for Defense, for Home Affairs, for Democratization and Administration of Local Bodies, for Relief and Resettlement

Rangoon, Burma

TREATY INFORMATION

Current Actions

MULTILATERAL

Finance

Articles of agreement of the International Bank for Reconstruction and Development. Opened for signature at Washington December 27, 1945. Entered into force December 27, 1945. TIAS 1502.

Acceptance deposited: Dominican Republic, September 18, 1961.

Fisheries

Declaration of understanding regarding the International Convention for the Northwest Atlantic Fisheries of February 8, 1949 (TIAS 2089). Done at Washington April 24, 1961.¹

Acceptance deposited: Italy, September 14, 1961.

¹ Not in force.

Trade and Commerce

Fourth protocol of rectifications and modifications to annexes and to texts of schedules to the General Agreement on Tariffs and Trade. Done at Geneva March 7, 1955. Entered into force January 23, 1959. TIAS 4186.

Protocol amending the preamble and parts II and III of the General Agreement on Tariffs and Trade. Done at Geneva March 10, 1955. Entered into force October 7, 1957. TIAS 3930.

Protocol of rectification to the French text of the General Agreement on Tariffs and Trade. Done at Geneva June 15, 1955. Entered into force October 24, 1956. TIAS 3677.

Procès-verbal of rectification concerning the protocol amending part I and articles XXIX and XXX, the protocol amending the preamble and parts II and III, and the protocol of organizational amendments to the General Agreement on Tariffs and Trade. Done at Geneva December 3, 1955. Section B entered into force October 7, 1957.

Sixth protocol of supplementary concessions to the General Agreement on Tariffs and Trade. Done at Geneva May 23, 1956. Entered into force June 30, 1956. TIAS 3591.

Declaration on provisional accession of the Swiss Confederation to the General Agreement on Tariffs and Trade. Done at Geneva November 22, 1958. Entered into force for the United States April 29, 1960. TIAS 4461.

Declaration on relations between contracting parties to the General Agreement on Tariffs and Trade and the Federal People's Republic of Yugoslavia. Done at Geneva May 25, 1959. Entered into force for the United States November 19, 1959. TIAS 4385.

Declaration on provisional accession of Israel to the General Agreement on Tariffs and Trade. Done at Geneva May 29, 1959. Entered into force for the United States December 19, 1959. TIAS 4384.

Declaration on relations between contracting parties to the General Agreement on Tariffs and Trade and the Polish People's Republic. Done at Tokyo November 9, 1959. Entered into force November 16, 1960. TIAS 4649.

Declaration on provisional accession of Tunisia to the General Agreement on Tariffs and Trade. Done at Tokyo November 12, 1959. Entered into force for the United States June 15, 1960. TIAS 4498.

Acknowledged applicable rights and obligations of United Kingdom: Sierra Leone, August 22, 1961.

Declaration on provisional accession of Argentina to the General Agreement on Tariffs and Trade. Done at Geneva November 18, 1960.¹

Ratification deposited: Austria, August 22, 1961.

Declaration giving effect to provisions of article XVI:4 of the General Agreement on Tariffs and Trade. Done at Geneva November 19, 1960. Enters into force on the 30th day following day accepted by signature or otherwise by Austria, Belgium, Canada, Denmark, France, Federal Republic of Germany, Italy, Luxembourg, Netherlands, Norway, Sweden, Switzerland, United Kingdom, and United States.¹

Signatures: France, November 19, 1960; Belgium, November 24, 1960; Norway, February 9, 1961; Luxembourg, February 24, 1961; Canada, April 14, 1961; Netherlands (for European Territory, Netherlands Antilles, and Netherlands New Guinea), April 25, 1961; Federation of Rhodesia and Nyasaland, May 9, 1961; New Zealand, May 30, 1961; United Kingdom (including all United Kingdom territories to which GATT provisionally applied, except Kenya), August 21, 1961; United States (with a statement), September 19, 1961.

¹ Not in force.

BILATERAL

Chile

Agreement amending the agricultural commodities agreement of November 8, 1960 (TIAS 4663). Effected by exchange of notes at Santiago August 30, 1961. Enters into force on date of notification that Chile has approved the agreement in accordance with its constitutional procedures.

Malaya

Agreement relating to the establishment of a Peace Corps program in the Federation of Malaya. Effected by exchange of notes at Kuala Lumpur September 4, 1961. Entered into force September 4, 1961.

Sweden

Agreement supplementary to the General Agreement on Tariffs and Trade to provide a concession as compensation to Sweden for spring clothespins escape-clause action, and exchange of notes. Signed at Washington September 15, 1961. Entered into force September 15, 1961.

United Arab Republic

Agricultural commodities agreement under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1701-1709), with exchanges of notes. Signed at Cairo September 2, 1961. Entered into force September 2, 1961.

DEPARTMENT AND FOREIGN SERVICE

Mr. Humelsine Heads Study Group on Organization of Department

Press release 643 dated September 18

Acting Secretary Bowles announced on September 18 the appointment of Carlisle H. Humelsine, president of Colonial Williamsburg and a former Deputy Under Secretary for Administration, as a consultant to head a special study group to survey Department of State organizational problems. Establishment of the study group, which is expected to complete its work within 3 or 4 weeks, is one of a series of steps undertaken by Mr. Bowles in continuing administrative efforts to make the Department of State fully responsive to its constantly increasing duties and responsibilities.

In commenting on the study, prior to his departure for New York, Secretary Rusk said:

The demands upon the Department are exacting. They require all the initiative, imagination, operational skill, and executive competence we can provide.

Mr. Humelsine and his associates will work not only within the Department but will also seek the advice and opinions of others now in private life who have had a long-time interest in the State Department and its operations. The perspective to be gained from such consultations will be invaluable in bringing a public point of view to bear upon the role of the Department.

Assisting Mr. Humelsine will be Arthur G. Stevens, a former Department of State official now in the banking field. Other members of the group will include Robert M. Macy, chief of the International Division, Bureau of the Budget, and top-level State Department personnel who will serve as time permits. Among these are Walter K. Scott, consul general at Munich and former Assistant Secretary for Administration; William O. Hall, deputy chief of mission at Karachi and former senior adviser on the U.S. Mission to the United Nations; and Charles E. Bohlen, Special Assistant to the Secretary and former Ambassador to the U.S.S.R. and the Republic of the Philippines. Staff support will be provided by the Department's Office of Management, Bureau of Administration, under Deputy Assistant Secretary Ralph S. Roberts.

The Humelsine group will work closely with the Under Secretary and his principal associates in the administrative and operational fields, Deputy Under Secretary Roger W. Jones and Assistant Secretary for Administration William J. Crockett.

State and Treasury Announce Personnel Exchange Program

Press release 640 dated September 18

The State and Treasury Departments on September 18 announced a personnel exchange program designed to increase understanding of the relationship between foreign and financial policies. The program was recommended in February of this year by the Subcommittee on National Policy Machinery of the Senate Com-

mittee on Government Operations. The recommendation was welcomed by the Secretary of State and the Secretary of the Treasury.

The first assignment of personnel by the two Departments began on September 18.

Robert S. Watson of the Treasury's Office of International Finance is assigned to the Economic Development Division of the State Department's Office of International Financial and Development Affairs. He will be concerned with the State Department's foreign policy guidance to the Export-Import Bank. He will also help coordinate the Department's position in the National Advisory Council in the area of loans, investments, services, and certain other activities.

Edwin C. Rendall of the Bureau of Economic Affairs of the Department of State will be assigned to the Latin American Division of the Office of International Finance of the Treasury. He will have responsibility for financial analysis of the economies of a selected group of Latin American countries. This will require the application of basic Treasury policy to foreign financial matters.

Project assignments and training have been planned to provide maximum knowledge and understanding in areas where foreign and financial policies coincide. Particular emphasis will be given to the continued development of the exchange personnel and their potential contribution to the purpose of the program following return to their parent organizations.

Further assignment of personnel to the State-Treasury exchange program will be made later this year. Assignments will be for 1 year.

Confirmations

The Senate on September 8 confirmed the following nominations:

Charles F. Darlington to be Ambassador to the Republic of Gabon. (For biographic details, see Department of State press release 649 dated September 21.)

Lincoln Gordon to be Ambassador to Brazil. (For biographic details, see Department of State press release 645 dated September 19.)

Africa. Basic United States Policy in Africa (Williams)	600
Brazil. Gordon confirmed as Ambassador	614
Burma. United States Gives Aid to Flood Victims in Burma (Kennedy)	612
Cambodia. Cambodia Port Highway Project (Labouisse)	612
Congress, The	
Cambodia Port Highway Project (Labouisse)	612
Peace Corps Legislation Signed Into Law by President Kennedy (Kennedy)	603
President Signs Mutual Educational and Cultural Exchange Act of 1961 (Kennedy)	603
Department and Foreign Service	
Confirmations (Darlington, Gordon)	614
Mr. Humelsine Heads Study Group on Organization of Department	613
State and Treasury Announce Personnel Exchange Program	614
Disarmament. United States and Soviet Union Agree on Statement of Principles for Disarmament Negotiations (McCloy, texts of documents)	589
Economic Affairs	
Free-World Growth and Progress (Ball, Dillon)	579
State and Treasury Announce Personnel Exchange Program	614
Educational and Cultural Affairs. President Signs Mutual Educational and Cultural Exchange Act of 1961 (Kennedy)	603
Gabon. Darlington confirmed as Ambassador	614
Geography. Forty Newly Independent States: Some Politicogeographic Observations (Pearcy)	604
India. Letters of Credence (Nehru)	599
International Organizations and Conferences. Free-World Growth and Progress (Ball, Dillon)	579
Kuwait. United States and Kuwait Establish Diplomatic Relations	588
Mutual Security	
Cambodia Port Highway Project (Labouisse)	612
Peace Corps Legislation Signed Into Law by President Kennedy (Kennedy)	603
Presidential Documents	
Peace Corps Legislation Signed Into Law by President Kennedy	603
President Expresses Sorrow of U.S. at Death of U.N. Secretary-General	596
President Signs Mutual Educational and Cultural Exchange Act of 1961	603
United States Gives Aid to Flood Victims in Burma	612
Public Affairs. Foreign Policy Briefings To Be Held at Dallas and Kansas City	611
Treaty Information. Current Actions	612
U.S.S.R. United States and Soviet Union Agree on Statement of Principles for Disarmament Negotiations (McCloy, texts of documents)	589

United Nations

President Expresses Sorrow of U.S. at Death of U.N. Secretary-General	596
The U.N., a View of the Road Ahead (Stevenson)	597
United States and Soviet Union Agree on Statement of Principles for Disarmament Negotiations (McCloy, texts of documents)	589

Name Index

Ball, George W	579
Darlington, Charles F	614
Dillon, Douglas	579
Gordon, Lincoln	614
Humelsine, Carlisle H	613
Kennedy, President	596, 603, 612
Labouisse, Henry R	612
McCloy, John J	595
Nehru, Braj Kumar	599
Pearcy, G. Etzel	604
Stevenson, Adlai E	597
Williams, G. Mennen	600

Check List of Department of State Press Releases: September 18-24

Press releases may be obtained from the Office of News, Department of State, Washington 25, D.C.

No.	Date	Subject
†639	9/18	McConaughy: "A Pacific Partnership."
640	9/18	State-Treasury personnel exchange.
†641	9/18	Williams: "Southern Africa in Transition."
†641A	9/18	Williams: death of Hammarskjold.
*642	9/18	U.S. participation in international conferences.
643	9/18	Humelsine study group to survey Department organization.
*644	9/19	Bowles: discrimination against foreign diplomats (excerpts).
*645	9/19	Gordon sworn in as Ambassador to Brazil (biographic details).
646	9/19	Ball: annual meeting of World Bank.
*647	9/19	Program for visit of President of Peru.
†648	9/20	Martin: Senate Finance Committee.
*649	9/21	Darlington sworn in as Ambassador to Gabon (biographic details).
†650	9/21	Williams: Women's Democratic Club, Arlington.
651	9/21	Foreign policy briefings at Kansas City and Dallas.
652	9/21	India credentials (rewrite).
*653	9/21	President signs 1961 educational and cultural exchange act.
654	9/22	Establishment of diplomatic relations with Kuwait.
*655	9/22	U.N. Day celebration.
†656	9/22	Martin: Senate Commerce Committee.
*657	9/22	Visit of President of Sudan.
*658	9/22	Rusk: Foreign Press Association.
659	9/23	Labouisse: Cambodia port highway.

*Not printed.

†Held for a later issue of the BULLETIN.

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Publication 7225

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FREEDOM FROM WAR

The United States Program for General and
Complete Disarmament in a Peaceful World

President Kennedy, in his address before the Sixteenth General Assembly of the United Nations, September 25, 1961, presented the U.S. new program for general and complete disarmament.

A summary of the principal provisions and the full text of the program are contained in this 19-page pamphlet.

Publication 7277

15 cents

CHILE

Rebuilding for a Better Future

Immediately following the disastrous Chilean earthquake of May 1960, the United States under the Mutual Security Program mounted one of the largest emergency relief operations ever undertaken in peacetime.

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